



Daily Report

East Asia

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Further on Events at Cambodian Aid Conference

Ranariddh Announces Mine Import Ban

OW1103123394 Tokyo KYODO in English 1200 GMT
11 Mar 94

[Excerpt] Tokyo, March 11 KYODO—Cambodia's First Prime Minister Norodom Ranariddh said Friday [11 March] that his country will prohibit the import and laying of land mines effective immediately.

"On behalf of the royal government, I would like to say very clearly that we completely ban any laying out of mines," Ranariddh told reporters at the Japan National Press Club.

Ranariddh, in Tokyo to attend a meeting of the International Committee on the Reconstruction of Cambodia (ICORC), also vowed that the Cambodian military will never again purchase mines. The announcement followed pledges by donor countries and organizations earlier Friday of more than 20 million dollars over two years to help Cambodia find and deactivate millions of mines.

Ranariddh cited a message from King Norodom Sihanouk, issued just ahead of the meeting, in which the monarch said "history will condemn extremely harshly those who plant such mines in Cambodia." [passage omitted]

Foreign Minister Interviewed

OW1103144994 Tokyo KYODO in English 1423 GMT
11 Mar 94

[Excerpt] Tokyo, March 11 KYODO—Cambodian Foreign Minister Norodom Sirivut took Thailand to task Friday [11 March] for allowing an illegal logging trade to thrive along Khmer Rouge-controlled border areas.

Sirivut broached the subject in an interview with KYODO NEWS SERVICE during his visit to Tokyo for a two-day meeting of the International Committee on the Reconstruction of Cambodia (ICORC), which ended Friday.

"It's not reasonable, it's not fair to say on one hand 'we will help Cambodia' and on the other hand 'we will bleed it'," he said, evidently referring to Thailand by the well-worn euphemism "neighboring country."

Thailand participated in the ICORC meeting as a donor nation. Its thickly forested border with Cambodia is the scene of lucrative trade in Cambodian timber run by the Khmer Rouge.

Sirivut said he made a "strong appeal" at the conference for Cambodia's neighbors to respect its laws concerning exploitation of timber, an apparent reference to a U.N.-backed logging ban Cambodia instituted at the beginning of 1993.

"Natural resources are for the survival of Cambodia," said the foreign minister, who also serves as deputy prime minister.

Sirivut's remarks followed an unconfirmed report about a soured December agreement between the Cambodian Government and the Khmer Rouge to share profits from the export to Thailand of some 120 million dollars worth

of timber, stranded since the ban. The timber was reportedly moved into Khmer Rouge-controlled territory to be sold across the border from mid-February to the end of March, but Khmer Rouge attacks on government positions convinced the government that the guerrillas had broken their word. Government forces are now preparing to take over the logs and logging routes by force, according to the report quoting Thai sources. [passage omitted]

Participants Depart Tokyo

OW1203035694 Tokyo KYODO in English 0240 GMT
12 Mar 94

[Text] Tokyo, March 12 KYODO—A top-level Cambodian Government delegation departed Tokyo for Phnom Penh on Saturday, gratified at the 773 million dollars in aid pledged by donors at a two-day international conference on Cambodian reconstruction.

"We are very happy," said Economy and Finance Minister Sam Rangsri in an interview with KYODO NEWS SERVICE before departure.

Rangsri accompanied co-premiers Prince Norodom Ranariddh and Hun Sen to a meeting of the International Committee on the Reconstruction of Cambodia on Thursday and Friday.

"Before we came we were a little bit anxious because we know that donor countries face many requests from many other countries in many parts of the world," he said. "We were a little bit afraid that people may forget Cambodia. But finally we have noticed that there is still a strong concern about Cambodia and that the world community realizes that without development all the achievements in peace can be jeopardized," he said.

The 773 million dollars pledged will go toward reconstruction costs over a two-year period.

The meeting, chaired by Japan, was attended by delegates from 32 countries, the European Union and 12 international organizations.

Symposium on Problems of Borderless Television

OW1003140894 Tokyo NHK General Television
Network in Japanese 1049 GMT 10 Mar 94

[Announcer-read report; from "NHK News 7" program]

[Text] An international symposium has been held in Tokyo to discuss ways to resolve problems with the borderless television broadcasting that is growing rapidly in the Asian region. The symposium has been held under the auspices of the International Center for Exchange of Broadcasting Program that has been formed by the NHK and commercial television companies. At the symposium, the need was stressed for full consideration to be given to different customs and practices, and the shaping of copyright rules. In Japan, the Posts and Telecommunications Ministry plans to relax regulations on borderless television broadcasting.

Japan**Brown, Tyson on 'Progress' in Phone Dispute***OW1203001894 Tokyo KYODO in English 2324 GMT
11 Mar 94*

[By Antonio Kamiya]

[Text] Washington, March 11 KYODO—The United States and Japan are close to resolving a cellular telephone trade dispute, U.S. officials said Friday [11 March], predicting the deal will inject a healthier tone to troubled trade ties between the two countries.

"We are getting close to an agreement," U.S. Commerce Secretary Ron Brown said.

Brown told KYODO NEWS SERVICE the two sides have made "significant progress" in resolving their differences and indicated a final deal could come at any time.

"We are pleased with that progress but you never announce agreements before they are finally reached," Brown said.

White House press secretary Dee Dee Myers earlier Friday characterized the bilateral negotiations as "going very well."

Reports from Tokyo indicated Motorola Inc. and its Japanese partner, Nippon Idou Tsushin Corp. (IDO), the two firms embroiled in the dispute, have worked out a tentative accord and are now working on the specifics.

In a statement released Friday, U.S. Trade Representative Mickey Kantor cautioned against undue expectations over an imminent deal, saying the two countries have yet to work out "all the terms" necessary for an agreement.

"At this time progress has been made but the United States and Japan have yet to reach agreement on all the terms," Kantor said in a brief statement issued while on a visit to Chile.

The dispute stems from charges Kantor made a month ago that the Japanese Government has breached a 1989 trade accord that provides for "comparable market access" in the cellular phone service in Japan.

Kantor has threatened to impose trade sanctions on Japan unless there is a negotiated settlement and the U.S. Government is scheduled to unveil a list by March 17 of Japanese products that will be subject to punitive tariffs.

Brown sounded a note of optimism in his interview with KYODO when asked about the impact of a cellular phone accord on the overall bilateral relationship.

"Every success is a good sign in improving the trade relationship," he said.

Laura Tyson, head of the White House Council of Economic Advisers, echoed Brown's assessment.

A cellular phone agreement would be "a step forward in terms of the trade tensions and trade relations between the two countries," Tyson told KYODO.

Saddled by a vast Japanese trade surplus, trade ties between Japan and the U.S. have taken a sharp plunge with the collapse of top-level trade talks February 11 between Prime Minister Morihiro Hosokawa and President Bill Clinton.

Kantor has seized the cellular phone dispute as an example of Japan's unwillingness to open its markets, particularly in high-technology sectors, to foreign competition.

The prospect of a settlement in the cellular phone dispute under the threat of U.S. sanctions has convinced some officials in the U.S. Government that a "get-tough" trade policy with Japan works.

"We have taken a very firm position" with regard to Japan, Brown told a news conference Friday. "I happen to believe that the results of that policy are now looming to fruition," he said.

IDO, Motorola Agree on Phone Frequencies Share*OW1203021694 Tokyo NHK General Television
Network in Japanese 1025 GMT 11 Mar 94*

[Announcer-read report; from "NHK News 7" program]

[Text] The question of increasing the assigned frequencies for Motorola-type mobile phone service has become a focal point in the issue of opening the Japanese mobile phone market. Today, the Japan Mobile Communications Corporation [known as IDO] and Motorola reached agreement on the matter. Under the agreement, IDO will transfer part of the frequencies assigned to NTT [Nippon Telegraph & Telephone]-type mobile phone service to the Motorola-type mobile phone service, with the two mobile phone services sharing the assigned frequencies half-and-half, and IDO working toward wider use of the Motorola-type mobile phone service by increasing the number of ground radio stations for the Motorola-type mobile phone service to 159 by the end of 1995.

In connection with the issue of opening the Japanese mobile phone market, in mid-February the U.S. Government made clear that it would take steps for imposing sanctions on Japan. Next week, Japan and the United States will start governmental negotiations. A Japanese Government official said that with the agreement reached between IDO and Motorola, the possibility has grown that the U.S. Government will not slap sanctions on Japan.

Ministry Announces Accord on Mobile Phones*OW1203113594 Tokyo KYODO in English 1109 GMT
12 Mar 94*

[Text] Tokyo, March 12 KYODO—Japan and the United States reached a final agreement on the opening of the Japanese mobile telephone market, averting U.S. trade retaliation against Japan, the Ministry of Posts and Telecommunications said Saturday.

The agreement followed a private-level accord reached between Nippon Idou Tsushin Corp. (IDO) and Motorola Inc. of the U.S.

The U.S. was scheduled to unveil a list by March 17 of Japanese products that will be subject to punitive tariffs unless there is a negotiated settlement.

The Japanese and U.S. Governments will hold regular meetings to check whether IDO is implementing its agreement with Motorola, as demanded by the U.S. Government.

Under the accords on governmental and private levels, IDO will open 159 new relay stations for Motorola-formula telephone service by October 1995 to expand Motorola's service network in Japan.

IDO will also change its radio frequency on the formula of Nippon Telegraph and Telephone Corp. (NTT) from 8 megahertz to 6.5 megahertz, the same as the Motorola formula.

'Gist' of Agreement Reported

OW1203122494 Tokyo KYODO in English 1208 GMT 12 Mar 94

[Text] Tokyo, March 12 KYODO—The following is the 'gist' of an agreement reached between the Japanese and U.S. Governments on the opening of the Japanese mobile telephone market.

- Nippon Idou Tsushin Corp. (IDO) will open 159 new relay stations for telephone service on the formula of Motorola Inc. of the United States within a year and a half starting in April.
- IDO will transfer 1.5 megahertz of its 8-megahertz radio frequency on the formula of Nippon Telegraph and Telephone Corp. (NTT) to the Motorola formula for allocation of 6.5 megahertz to both formulas.
- The Japanese and U.S. Governments will hold regular meetings to assess implementation of the agreement.
- The radio frequency change will be made with IDO transferring 1.5 megahertz of its 8-megahertz frequency allocated to it for the NTT formula to the Motorola formula.

The agreement was reached as a result of a meeting held Saturday night between Posts and Telecommunications Minister Takenori Kanzaki and U.S. Ambassador to Japan Walter Mondale, ministry officials said.

Both governments agreed to hold consultations to assess implementation of the agreement every three months or on request by either government, the officials said.

On the basis of a 1989 Japan-U.S. trade accord meant to boost imports of U.S. cellular phones, IDO began service under the Motorola formula, in addition to the NTT formula, but the Motorola-formula service has not spread much.

U.S. Trade Representative Mickey Kantor accused Japan last month of breaching the accord and set March 17 as the deadline for an announcement of sanctions over trade disputes with Japan.

In negotiations with Motorola, IDO proposed in late January to open 124 new stations for the Motorola-formula service by March 1997.

Motorola demanded that IDO open 159 new stations for the Motorola-formula service by February 1995 and allocate 3 megahertz of IDO's 8-megahertz frequency for the NTT-formula service to the Motorola formula.

IDO made concessions to Motorola's demands to reach the basic agreement.

U.S. Embassy Issues Statement on Phone Accord

OW1203142194 Tokyo KYODO in English 1357 GMT 12 Mar 94

[Text] Tokyo, March 12 KYODO—U.S. Ambassador to Japan Walter Mondale announced Saturday night [12 March] that the United States and Japan have reached an agreement on the opening of the Japanese cellular telephone market.

In a statement released by the U.S. Embassy in Tokyo, Mondale praised the Japanese Government for its hard work in resolving the long-standing problem.

"The government of Japan will take all available measures to ensure compliance with these commitments," the statement said.

Among the commitments are "to build 159 new base stations, containing an additional 9,900 voice channels, according to an agreed quarterly schedule, to provide coverage for 95 percent of the population by December 1995, and to reallocate spectrum for use by the U.S. technology-based system," it said.

"This agreement demonstrates that the U.S. and Japan can work together to achieve real market access in Japan," it said.

Meanwhile, Posts and Telecommunications Minister Takenori Kanzaki issued a statement on the Japan-U.S. agreement, which read as follows:

1. Mr. Walter F. Mondale, U.S. ambassador to Japan, and I have come to a final agreement today on the cellular phone issue between Japan and the United States of America.
2. Nippon Idou Tsushin Corp. (IDO) has drawn up a plan for expanded installation for the North American-type analog cellular telephone system and transfer of a part of the spectrum currently allocated to the company to the North American-type system portion. The Government of Japan and the Government of the United States of America have decided to take measures including holding of regular meetings to assess implementation of the IDO measures.

3. The Government of the United States will terminate actions under Section 1377 of the Omnibus Trade and Competition Act in response to these measures to be taken by the Japanese side.

4. I would like to pay respect for cooperation by Ambassador Mondale and the efforts made by the corporations concerned during the process leading to the resolution of this issue. I earnestly hope that the settlement will translate into maintenance and further development of the good economic relationship between the two countries.

Later the same night, Mondale and Kanzaki had a joint news conference at the Post and Telecommunications Ministry.

Mondale said the agreement is a good example for promoting the U.S.-Japan trade framework talks. He added that although the cellular phone negotiations are different from the framework talks, both sides should have heart-to-heart discussions with utmost effort.

Mondale also said the agreement will facilitate competition in high technology and will eventually benefit Japanese consumers.

Kanzaki said that Japan did not agree to setting of numerical targets with the agreement.

U.S. Calls Off Threatened Dispute Sanctions

OW1303020594 Tokyo KYODO in English 0104 GMT 13 Mar 94

[By Antonio Kamiya]

[Text] Washington, March 12 KYODO—The United States called off threatened sanctions against Japan on Saturday [12 March] after Tokyo bowed to U.S. pressure and agreed to a deal that will assure at least 300 million dollars in business for Motorola Inc., a major U.S. cellular phone system maker.

"We are delighted with the result," U.S. Trade Representative Mickey Kantor said in announcing that Washington has decided to drop retaliatory moves against Japan.

The cellular phone trade agreement, announced in Tokyo on Saturday, came five days before Kantor was set to unveil a list of Japanese products that would be subject to punitive import tariffs.

Kantor hailed the accord, which commits the Japanese Government to underwrite a commitment from Motorola's Japanese partner to expand the American cellular system in the Tokyo-Nagoya area, as the sort "results-oriented" trade pacts Washington wants from Japan in the future.

"That is what portends for the future in our efforts to open (the Japanese) markets," Kantor said at a news conference.

The agreement, which Motorola and its Japanese partner Nippon Idou Tsushin Corp. (IDO) concluded under prodding from U.S. and Japanese Governments, has set specific terms the Japanese firm must meet by December 1995.

Top among them includes a commitment by IDO, which operates both a Motorola and a rival Japanese cellular system, to build 159 relay stations over an 18-month period.

That infrastructure facility would enable the Motorola system to cover 95 percent of the cellular market in a heavily populated corridor extending from Tokyo to Nagoya.

At present, the Motorola cellular system can be used only in 40 percent of the localities in the Tokyo-Nagoya market.

The Motorola-IDO accord also commits the Japanese cellular operator to freeze the development of the rival cellular system developed by Nippon Telegraph and Telephone Corp. (NTT) and launch a sales campaign to promote the Motorola system.

Under a separate government-to-government accord, the Japanese Government has also pledged to "monitor and oversee" the completion of IDO commitments and review progress with the U.S. Government every three months.

"This agreement validates our results-oriented approach," Kantor said.

President Bill Clinton also hailed the cellular phone accord in his weekly radio broadcast Saturday as "a big win for everyone."

"Workers in the United States will gain because the agreement means more demand for cellular telephones and related equipment made in America. Japanese consumers win because they'll have access to better service and better technology at better prices," the president said.

Motorola President Christopher Galvin, who spoke to reporters after Kantor's press conference, said the infrastructure facilities IDO has undertaken to build will give his firm 300 million dollars in extra business and create "hundreds of jobs" in the U.S.

Takemura Comments on Cellular Phone Accord

OW1403035394 Tokyo KYODO in English 0334 GMT 14 Mar 94

[Text] Tokyo, March 14 KYODO—The Japan-U.S. agreement on cellular phones trade did not come because Tokyo bowed to U.S. pressure to open its market but as a result of a private-level accord, Chief Cabinet Secretary Masayoshi Takemura said Monday.

"It is not that we yielded to U.S. pressure... but it came after private-level talks made headway," the top government spokesman told a news conference.

But he also said, "Frankly, we are delighted at the result."

Earlier Monday, a Japanese Government source criticized the U.S. Government for overly intervening on behalf of a specific company.

The source said the way Washington helped Motorola Inc. to increase its market share in Japan was something Tokyo would never contemplate.

The Motorola negotiations were a matter of private business, and the U.S. Government could not deny it was working for a specific company, he said.

The source said he expects the U.S. may take a similar attitude in future trade negotiations.

"As long as Japan has such a huge trade surplus, Japan cannot take a tough stance toward such a U.S. attitude," he said.

Under the Japan-U.S. accord reached Saturday, Nippon Idou Tsusin Corp. [Japan Mobile Communications Corporation] (IDO) will launch a full-scale expansion of service in the Tokyo and Nagoya areas using the Motorola system. IDO will shift some service now geared to Nippon Telegraph and Telephone Corp. to the Motorola-oriented service.

Shirai Denies U.S. Claim on Phone Targets

*OW1403102994 Tokyo KYODO in English 1011 GMT
14 Mar 94*

[Text] Tokyo, March 14 KYODO—Vice Postal Minister Futoshi Shirai denied Monday U.S. allegations that the Japanese Government has guaranteed a numerical target in solving a dispute with the United States over the opening of its cellular telephone market.

The agreement reached between Nippon Idou Tsushin Corp. (IDO) and Motorola Inc. last week called for the Japanese firm to build 159 new base stations for the U.S. competitor by the fall of next year.

Shirai said IDO is expected to implement the agreement without fail. He added, however, that it would be wrong to construe that the government has guaranteed the numerical target accepted by IDO.

The government will do whatever it can to see to it that the agreement is carried out smoothly.

Vice Foreign Minister Kunihiro Saito also told reporters the Japanese Government will watch implementation of the agreement within its power. If there is any difference between Japan and the U.S. in the interpretation of the agreement, it is because the U.S. Government apparently misunderstood the accord, he said.

He said the government is in no position to intervene in private-sector affairs though it will keep a watch on the implementation of the accord.

Tokyo 'Unlikely' To Face Job Summit Pressure

*OW1403100194 Tokyo KYODO in English 0930 GMT
14 Mar 94*

[Text] Tokyo, March 14 KYODO—Japan is unlikely to face pressure at a jobs summit from other Group of Seven (G-7) major industrialized nations on its financial measures, Vice Finance Minister Jiro Saito said Monday [14 March].

Issues to be discussed at the summit will concentrate on "European nations and not Japan," Saito told a regular press meeting.

He was referring to earlier comments by U.S. Treasury Secretary Lloyd Bentsen, who indicated discussions at the two-day meeting in Detroit from Monday would include financial measures.

"I don't know what he (Bentsen) actually said," Saito said, but the summit is to discuss "medium- to long-term structural problems," he indicated.

Japan has no such problems, Saito said.

Considering a meeting of finance ministers from the Asia-Pacific Economic Cooperation (APEC) forum in Hawaii later this week, he said the gathering is intended to exchange views "freely" and not to stage negotiations.

He said a meeting between Japanese Finance Minister Hirohisa Fujii and Bentsen is yet not set.

Meanwhile, Saito said his ministry will "soon" decide on a "strict" punishment for Kankaku Securities Co., which is accused of committing illegal loss-compensation practices.

Japan's Securities and Exchange surveillance commission recommended Friday that the ministry take administrative action against the second-tier brokerage house.

Kankaku is accused of compensating customers with losses through so-called "tobashi" deals, which are prohibited under the securities and exchange law.

The practice involves shifting loss-carrying transactions from one client to another with a promise to buy back the shares later at higher prices.

Labor Minister Leaves for U.S. G-7 Meeting

*OW1203050694 Tokyo KYODO in English 0444 GMT
12 Mar 94*

[Text] Tokyo, March 12 KYODO—Japanese Labor Minister Chikara Sakaguchi left for Detroit Saturday [12 March] to attend a meeting of ministers from the Group of Seven (G-7) economic powers on employment issues, to be held there on March 14 and 15.

Ministers from the United States, Japan, Germany, Britain, France, Italy and Canada will discuss how to create jobs. The summit was initiated by U.S. President Bill Clinton.

The labor minister will return home on Wednesday.

'Diplomatic Sources': Ozawa To Visit U.S.*OW1203021294 Tokyo KYODO in English 0128 GMT
12 Mar 94*

[Text] Washington, March 11 KYODO—Ichiro Ozawa, a close associate of Prime Minister Morihiro Hosokawa and a possible trouble-shooter in the troubled U.S.-Japan ties, will visit the United States later this month, diplomatic sources said Friday [11 March].

The sources said Ozawa is tentatively set to arrive in Washington on March 21.

Ozawa has a reputation for political savvy and has won admirers on Capitol Hill. He indicated his intention to visit Washington following the breakdown of trade talks last month that soured Japan's economic relationship with its U.S. ally.

Japanese diplomatic sources said the itinerary of Ozawa's trip has yet to be finalized.

Ozawa will probably stay in the U.S. for one week from March 21, meeting congressional leaders and officials in the Clinton administration. A meeting with President Bill Clinton is also a possibility, the sources said.

One certainty in Ozawa's trip is a speech to be delivered at the National Press Club in Washington on March 23, the sources said.

Ozawa is secretary general of Shinseito (Japan Renewal Party), one of the seven parties that form the Hosokawa coalition government but he occupies no formal government position.

There has been speculation in Tokyo that Ozawa may come to Washington as Hosokawa's special envoy but Japanese diplomatic sources say they are unaware of any such decision.

The Japanese Government plans to unveil a package of market-opening measures by the end of this month and U.S. officials have said Washington is keeping a close watch on its contents.

Trade talks between the U.S. and Japan broke down on February 11 after the Japanese Government rejected U.S. demands to set numerical indicators to measure progress in Japanese imports.

Ozawa raised expectations in Washington of a possible change of heart in Tokyo with a suggestion that Japan may accept voluntary targets he characterized as "endeavor indicators" so long as the U.S. does not take them as binding commitments.

House Majority Leader Richard Gephardt has expressed interest in the proposal, telling reporters Thursday he is "absolutely" comfortable with Ozawa's idea.

Gephardt, who is expected to meet Ozawa, also paid him a glowing tribute, saying he has found no political leader in Japan "more forthcoming" than Ozawa.

Ozawa, who wrote a best-seller calling for a restructuring of the Japanese political and economic system, also has an admirer in U.S. Trade Representative Mickey Kantor, who is fond of quoting a passage in Ozawa's book encouraging the Japanese to behave like a "normal country."

Commentary on Warren Christopher's PRC Visit*OW1403080794 Tokyo KYODO in English 0737 GMT
14 Mar 94*

[Text] Beijing, March 14 KYODO—U.S. Secretary of State Warren Christopher ended three days of difficult talks with China's leadership Monday [14 March], taking with him several promises of cooperation in human rights.

"I came to China to try to ensure that the Chinese side understands the importance of human rights to the United States in connection with the most favored nation (MFN) treatment," Christopher told reporters after a final meeting with Foreign Minister Qian Qichen.

The high-level talks have been marked by China's point-blank refusal to accept any linkage between human rights and trade. It regards calls for progress in human rights as interference in its internal affairs.

The May 1993 executive order on China trade issued by U.S. President Bill Clinton has linked the renewal of MFN in June with "overall significant progress" on seven issues concerning human rights. Billions of dollars in trade is at stake.

During his trip, Christopher received a dressing down from both President Jiang Zemin and Premier Li Peng on China's inflexibility over human rights issues. They made clear that China is ready to go on without MFN.

Despite the difficult meetings, Christopher characterized his final talk with Qian as better than before and listed five areas where China has promised to cooperate.

The two sides signed a statement of cooperation specifying a method to form "concrete assurances" that China is complying to a 1992 agreement concerning prison labor and which was specified in the executive order.

The Chinese side also agreed "to work to resolve the few remaining outstanding emigration matters," Christopher said.

Implementation of the prison labor agreement and the emigration problems represent the "two measurable conditions" in Clinton's executive order.

The remaining five are considered "nonmeasurable" and call for significant progress in areas including the release and accounting for political prisoners, humane prison treatment and protection of Tibetan religious and cultural traditions.

Christopher said the Chinese side handed over a "detailed accounting" on 235 political prisoners and is preparing information on 106 Tibetan prisoners.

China would also review interference in the broadcast signal of the Voice of America and will soon continue talks with the International Red Cross on prison visits while confirming its support of the UN Universal Declaration on Human Rights, he said.

Christopher said he urged Chinese authorities to free political prisoners as well as begin dialogue with the Dalai Lama, Tibet's exiled religious leader.

In a contrast characterizing the tone of the meetings, China's foreign minister chose several different areas of agreement as the main emphasis of the visit.

Qian said the two sides agreed to continue high-level meetings with Minister of Foreign Trade and Economic Cooperation Wu Yi. He said Song Jian, minister of the State Science and Technology Commission, will visit the U.S. in April.

The U.S. agreed to continue its support for China's entry to the General Agreement on Tariffs and Trade. Qian said the two countries would hold bilateral meetings on defense conversion this spring.

Qian also mentioned the statement on prison labor and said China had agreed to help the U.S. try and locate several soldiers believed to have gone missing in action during the Vietnam War.

"I wouldn't describe it as a breakthrough," Christopher said. "It was a business-like and productive meeting, we began to narrow the differences."

Christopher also met with the U.S. business community in Beijing Sunday morning, with businessmen overwhelmingly calling for the renewal of unconditional MFN.

Tens of billions of dollars of bilateral trade are at stake if renewal is not granted.

The visit began in a tense atmosphere as Chinese police rounded up several of China's best-known dissidents in an apparent attempt to prevent activists from contacting the secretary.

Christopher was to fly to Vladivostok Monday to meet Russian Foreign Minister Andrey Kozyrev.

Hosokawa To Call on PRC To Respect Rights

OW1403115394 Tokyo KYODO in English 1132 GMT 14 Mar 94

[Text] Tokyo, March 14 KYODO—Prime Minister Morihiro Hosokawa will broach the sensitive issue of human rights with top Chinese leaders when he visits Beijing from Saturday [19 March], government sources said Monday.

The sources said Hosokawa will call on China in talks with Communist Party chief Jiang Zemin and Prime Minister Li Peng to "urgently address (the human rights issue) in a manner which can be understood by the international community."

The Japanese leader's projected Beijing visit comes on the heels of that by U.S. Secretary of State Warren Christopher, who was coolly rebuffed last week when he took the Chinese Government to task over its human rights record.

Hosokawa is also expected to take a strong stance on the issue in the face of anticipated Chinese insistence that human rights are an internal affair, the sources said.

They said Hosokawa is likely to answer those arguments by suggesting that China could better win external assistance for its economic reform program by showing a desire to improve its human rights situation.

He will probably not, however, touch on specific human rights cases, such as the detainment of prodemocracy activists, they said.

Tokyo, Moscow Agree on 1994 Salmon Quota

OW1103132694 Tokyo KYODO in English 1305 GMT 11 Mar 94

[Text] Tokyo, March 11 KYODO—Japan's 1994 fishing quota of salmon in its 200-mile zone remains unchanged from the previous year at 4,819 tons, according to an agreement reached Friday [11 March] between Japan and Russia. Of the total, 3,444 tons are allocated to fishing in the Pacific side and 1,375 tons to the Sea of Japan side, Japanese officials said.

Japan's quota in Russia's 200-mile zone is yet to be decided. Russia offered 14,000 tons, 1,000 tons less than in the previous year. Japan and Russia will continue negotiating on the private level, the officials said.

Japan agreed to pay 759 million yen to Russia in return for its 1994 fishing, unchanged from the previous year, they said.

The two countries negotiate annually about the quota of those fish which grow up in rivers in Russia and come out to the ocean, as well as on the fund payment for fishing by Japan.

Iran To Defer Payment on Japanese Trade Debts

OW1403121094 Tokyo KYODO in English 1144 GMT 14 Mar 94

[Text] Tokyo, March 14 KYODO—The Iranian Government will defer payments of trade debts worth 2 billion dollars it owes to nine major Japanese trading firms, industry sources said Monday [14 March].

Iran agreed with the Japanese trading firms, including Mitsui and Co. and Tomen Corp., to postpone payment of its trade debts due by March until 1996 to 1999, the source said.

The agreement was reached after Iran promised it will put priority on using its crude oil revenues to pay back the debts, they said.

Iran is delaying payment of a total of nearly 10 billion dollars in trade settlements, the sources said.

In February, Germany agreed to allow Iran to defer such payments worth roughly 2.5 billion dollars.

Tokyo, Almaty Sign Nuclear Nonproliferation Pact

OW1103092094 Tokyo KYODO in English 0705 GMT 11 Mar 94

[Text] Tokyo, March 11 KYODO—Japan and Kazakhstan signed an agreement Friday [10 March] to cooperate on destruction of nuclear weapons in Kazakhstan and to set up a committee to effectively carry out the work, the Foreign Ministry said. Japanese Ambassador to Kazakhstan Akira Matsui signed the agreement with Kazakhstan Foreign Minister Tuleutai Skakovich Suleymenov, in Almaty, the ministry said.

The agreement was the last to be signed between Japan and the four former Soviet republics. Tokyo signed similar pacts with Russia last October, Belarus last November and Ukraine earlier this month.

The accord follows Japan's announcement in April last year at a ministerial meeting of the Group of Seven (G-7) nations that it would extend a grant-in-aid of 100 million dollars for the promotion of nuclear weapons destruction in the former Soviet Union.

The committee will include representatives of the Governments of Japan and Kazakhstan, it said.

Thai Rice Ratio in Rice Blends To Be Increased

OW1103130894 Tokyo KYODO in English 1149 GMT 11 Mar 94

[Text] Tokyo, March 11 KYODO—Thai-grown rice will account for at least 25 percent of blended rice to be retailed in March, instead of the 20 percent earlier intended, industry sources said Friday [11 March]. The Food Agency earlier this week ordered rice sellers to mix domestically and foreign-grown rice for retail sale, to avoid any hoarding of domestic rice.

The agency originally set the supply proportions for domestic, Thai, and U.S. and Chinese rice at 30 percent, 20 percent, and 50 percent, respectively. But the delay in imports of Chinese rice so far has forced the agency to change the proportions to 50 percent, 25 percent and 25 percent, respectively.

Blended rice will likely be put on the market as early as next week despite much opposition from consumers and rice sellers. Some rice wholesalers said they will sell a set of foreign and domestic rice instead of blended rice, a choice the agency has tolerated.

A Tokyo-based wholesaler said, "consumers desire a domestic-foreign rice set, not blended rice. I think the proportion of Thai rice in the rice set will be approximately the same as that of blended rice."

Food Agency Issues Blended-Rice Sales Notice

OW1103192894 Tokyo KYODO in English 1535 GMT 11 Mar 94

[Text] Tokyo, March, 11 KYODO—The Food Agency said Friday [11 March] it has issued a notice to local governments and concerned sectors that they should make sure rice sellers in their areas are mixing domestic and at least 20 percent of Thai rice for sales to consumers. The agency's notice also banned sales of "sets" of domestic rice and imported rice in separate bags.

It noted the policy is to maintain fair supplies and to avoid any hoarding of domestic rice. If domestic rice only is preferred and purchased, it will be completely consumed before rice grown this year comes onto the markets, the notice said.

Blended rice will likely be put on the market as early as next week despite much opposition from consumers and rice sellers. Consumers say they want to have freedom of choice and if domestic and imported rice have to be sold in a certain proportion, then they want to have the rice in separate bags, so they can cook it in different ways according to the rice type.

Rice sellers say, reflecting such consumers' voices, that they want to sell separately. Some wholesalers said they also want to sell "sets" of foreign and domestic rice instead of blended rice.

The agency plans to organize meetings for consumers and sellers in order to avoid further confusion, officials said.

Economic Planning Agency Watching Rice Prices

OW1103035294 Tokyo KYODO in English 0231 GMT 11 Mar 94

[Text] Tokyo, March 11 KYODO—Japan's chief economic planner said Friday [11 March] her agency will keep watch to make sure that consumers are not subjected to price hikes because of a shortage of domestically grown rice. Manae Kubota, director general of the Economic Planning Agency, told a regular news conference that the agency is monitoring rice price trends to check if the supply shortage of Japanese rice is being translated into price hikes.

Kubota played down the seriousness of the alleged rice shortage, explaining that the government expects to secure stocks of three million tons of rice to meet demand in the coming six months. She said the three million tons comprises 1.2 million tons in government holdings of Japanese rice, 1.7 million tons in imports and 100,000 tons from this year's first harvest expected in August.

Consumers need not be panicky about getting rice, and should not rush to buy rice in excess of their needs, the EPA chief said. Kubota said the agency has no immediate plan to invoke a provision banning hoarding by rice wholesalers.

The government began importing rice last year to make up for a shortage of Japanese rice following a bad harvest.

Health Minister Ouchi Says Imported Rice Safe

OW1403083294 Tokyo KYODO in English 0802 GMT
14 Mar 94

[Text] Yokohama, March 14 KYODO—Health and Welfare Minister Keigo Ouchi joined the campaign to promote foreign rice on Monday [14 March] by declaring his satisfaction that inspectors at a Yokohama quarantine center have found nothing dangerous in imported rice.

At the end of a 30-minute tour of the center, Ouchi said he had told the Diet there is no cause for concern over chemical residue in imported rice, and that his own tour of the center had satisfied him that he had seen "an internationally high standard of surveillance."

Ouchi said he was relieved to be told at the center that staff have "not yet found anything dangerous" in the rice they have inspected.

Ouchi also said he is grateful to staff at the center for working weekends to clear a backlog of imported rice.

Minister Urges Consumers Not To Stockpile Rice

OW1403123594 Tokyo KYODO in English 1124 GMT
14 Mar 94

[Text] Tokyo, March 14 KYODO—Agriculture Minister Eijiro Hata appealed to consumers on Monday [14 March] not to stockpile rice, assuring them that there will be no supply shortage.

Hata made the appeal at a meeting of rice dealers and consumers held by the Food Agency to hear views on imported rice.

Hata told the session there will be no shortage in rice supplies and said there is no need for consumers to rush to buy rice in excess.

Dealers and consumers asked the agency to bring down prices of imported rice and allow set sales of domestic and imported rice.

Hata said the government is not making it mandatory for rice dealers to blend domestic rice with imported rice in delivering to consumers.

Blending domestic and imported rice is simply an option, he said.

Cabinet Agrees on 50 Percent Beef Import Tariff

OW1103035194 Tokyo KYODO in English 0128 GMT
11 Mar 94

[Text] Tokyo, March 11 KYODO—The Japanese Government will keep a 50 percent customs duty on imported beef until the 1995 start of the agreement reached in the Uruguay Round of multilateral trade talks, government officials said Friday [11 March]. The decision was made during a regular cabinet meeting on the same day.

The government also agreed to accept the Agriculture Ministry's current policy of continuing the ceiling of beef imports on an emergency basis at the current level of

680,000 tons annually, they said. The ceiling measures, agreed to by Japan and the United States, will allow the government to raise duties to 75 percent if beef imports surpass the level.

In the Uruguay Round talks, held under auspices of the General Agreement on Tariffs and Trade, Japan agreed that duties on beef imports will be reduced to 38.5 percent from 50 percent during the six years from 1995.

Party Heads on Realignment, Cabinet Reshuffle

OW1203080694

[Editorial Report] Tokyo TV Asahi Network in Japanese at 0108 GMT on 6 March, during its weekly "Sunday Project" panel discussion program, carries a 47-minute live political debate including Tsutomu Hata, president of Shinseito (Japan Renewal Party), Tomiichi Murayama, chairman of the Social Democratic Party of Japan (SDPJ), and Keigo Ouchi, chairman of the Democratic Socialist Party (DSP), in Asahi's Tokyo studio, and by Komeito Chairman Koshiro Ishida in Osaka linked by remote hookup. Political commentator Soichiro Tawara acts as moderator, and two guest commentators—Kyoto University Professor Masaaki Kosaka and journalist Hajime Takeno—are also asked to give their views.

The first 17 minutes of the debate are devoted to the recent political turmoil over a failed cabinet reshuffle plan by Prime Minister Morihiro Hosokawa. In the discussions, Hata and Ishida admit they had supported Hosokawa's plan to fire Chief Cabinet Secretary Masayoshi Takemura from his post. But Murayama and Ouchi insist the plan was ill-conceived, and add it was good for the unity of the coalition that the plan was discarded.

At 0125 GMT, the topic turns to the question of political realignment. Tawara says he believes that, from the time of the disagreement over the cabinet reshuffle incident, the coalition has been divided into two power centers—Shinseito, Komeito and Hosokawa's Japan New Party on the one hand, and the DSP, the SDPJ, and Takemura's Sakigake (Harbinger Party) on the other. He then asks Murayama of the SDPJ if the coalition will continue to exist in a two-group format. Murayama replies, "It so happened that the views (of the SDPJ, the DSP, and Sakigake) matched on the question of the national welfare tax and on the issue of the cabinet reshuffle, and there were agreements on ways to ensure coalition stability and solidifying cooperation." He insists, "This condition has not been intentionally created to counter the Shinseito-Komeito bloc, as alleged by some people."

Tawara asks Ishida of Komeito if the coalition parties, in the face of the next general election, will eventually merge into one party or cooperate with each other while retaining their identities as separate parties. Ishida says the parties are "not yet in a condition of being able to accommodate other parties' positions" and to bring themselves together under one umbrella. Ishida, however, suggests all coalition member parties should move toward gathering together under one umbrella, insisting, "The election system requires that we move toward a two-party system." He

notes that the "Liberal Democratic Party (LDP) is a big opposition party with more than 220 seats in the lower house."

Asked a similar question, Murayama of the SDPJ says, "The parties should cooperate (in the next general election) to ensure that the LDP does not return to power," but he says the cooperation does not mean that all the parties should merge into one force. Murayama says such a merger would be "impossible."

At 0134 GMT, Ouchi of the DSP is asked to express his view on the issue of future political alignment. Ouchi says, "Political alignment really means forming new parties. All parties should make all possible efforts toward that end." However, noting that a failure to win in the next election could be a "catastrophe" for the coalition, he says the parties should not try to seek to form a single force at once from the beginning. He insists, "people who hold cautious stands and people aiming for higher targets should form parties of their own at first." He also says that in the next general election the coalition parties should do all they can to maintain the coalition government by cooperating with each other. He adds that one preferable way would be for the eight existing political groups in the coalition to merge into two or three parties, and for them to cooperate in the next election.

Asked to give his views, Hata of Shinseito says, "It is important for all the parties to make endeavors to become one group," noting "we—the parties of different backgrounds and political ideals—have been able to surmount all the difficulties arising from these differences, and to maintain the coalition over the past seven months." Hata says the parties should either merge into one big party or form a single joint floor group in the Diet.

Asked about reports that Komeito and Shinseito are heading for a merger, Ishida of Komeito asserts the reports are not correct. He says his party wants to create a new party which includes all other parties in the coalition.

At 0148 GMT, guest commentators—Professor Kosaka and journalist Takeno—are asked to give their comments on the views of the four political party leaders. With the debate coming to close, Tawara brings up the question of the cabinet reshuffle once again. Recalling that one of the reasons people did not support Prime Minister Hosokawa's idea on a cabinet reshuffle was the "bad timing" of the announcement of the plan, with the 1994 budget yet to be cleared by the Diet. Tawara asks Ouchi of the DSP if a reshuffle would be possible once the Diet completes deliberations on the 1994 budget. Ouchi says, "Common sense tells me that if he wants to reshuffle the cabinet, he should do it after the regular session of the Diet closes and major bills have been taken care of." Murayama, Hata, and Ishihara also express similar views.

Ozawa Discusses Realignment With JNP Members

OW1103192994 Tokyo KYODO in English 1507 GMT 11 Mar 94

[Text] Tokyo, March 11 KYODO—The ruling coalition's chief strategist Ichiro Ozawa met with seven members of

the Japan New Party (JNP) of Prime Minister Morihiro Hosokawa on Friday [11 March] in a move believed to lead to a new political realignment, some JNP members said.

Ozawa, secretary general of the coalition's core party Shinseito (Japan Renewal Party), exchanged views with the JNP legislators of both the House of Representative and the House of Councillors at a restaurant in Tokyo over the political situation and a future realignment of political parties, they said.

Ozawa called on those present to step up ties in the coalition to maintain the Hosokawa administration, the members said.

Prior to Friday's meeting, he had also met with three other JNP legislators on Monday, they said.

The powerful politician has been staying out of public sight since Hosokawa gave up his attempt to make changes to his seven-month-old cabinet early this month because of strong opposition from within the coalition and a tight Diet schedule.

Ozawa is widely believed to have urged Hosokawa to push for the cabinet reshuffle, whose primary purpose was to replace the premier's chief spokesman and chief of staff, Masayoshi Takemura.

Political sources said the honeymoon between Hosokawa and Takemura ended last December over their differences on policies. Speculation has arisen that Hosokawa was tilting in favor of ties with Ozawa, who is reported to be at odds with Takemura.

Shinseito and Komeito [Clean Government Party], the third largest coalition bloc, are pursuing establishment of a two-party political system and insisted on unifying coalition parties to fight off the leading opposition Liberal Democratic Party (LDP) in the next general elections under a new electoral system mixing single-seat constituencies and proportional representation.

The largest coalition bloc, the Social Democratic Party (SDP), as well new party Sakigake (Harbinger) headed by Takemura and the Democratic Socialist Party (DSP), meanwhile, are aiming at multiparty system, but with fewer parties than at present.

The remaining coalition component is the minor United Social Democratic Party (USDP).

Rengo Unions Withdraw Support From SPDJ

OW1403040294 Tokyo KYODO in English 0234 GMT 14 Mar 94

[Text] Tokyo, March 14 KYODO—Four key unions representing about 1.8 million workers have agreed to support candidates in the next general election who are not members of the Social Democratic Party (SDP) [of Japan—SDPJ], political sources said Monday [14 March].

The move marks a major policy shift from their long-standing support for the party, they said.

It also indicates that cooperation within the seven-party coalition led by Prime Minister Morihiro Hosokawa will be a factor in whether candidates get support from the unions—the All Japan Prefectural and Municipal Workers' Union, the Japan Teachers' Union, the Japan Telecommunications' Workers Union and the Japan Postal Workers' Union.

The sources made the remarks in reaction to a front-page article in the Monday morning issue of the ASAHI SHIMBUN, which said representatives of the four unions reached the agreement in a meeting at a Tokyo hotel on February 8.

The four unions have been among the key groups within the eight million-strong Rengo (Japanese Trade Union Confederation) and have traditionally backed the SDP.

But some supporters of the Democratic Socialist Party (DSP) inside Rengo have expressed reservations about solely rallying behind SDP and DSP candidates, a move seen as deliberately distancing themselves from Shinseito [Japan Renewal Party] and Komeito [Clean Government Party], the ASAHI said.

The SDP, the DSP, Shinseito and Komeito are members of the ruling coalition along with Hosokawa's Japan New Party, new party Sakigake [Harbinger] and the United Social Democratic Party.

Further on Ex-Construction Minister Scandal

External Factors Influence Denied

OW1103121994 Tokyo KYODO in English 1129 GMT
11 Mar 94

[Text] Tokyo, March 11 KYODO—The chief of the Fair Trade Commission (FTC) on Friday [11 March] denied allegations that the commission's 1992 judgment in a bid-rigging case had been influenced by external factors. The fair trade watchdog exercised its duty in an appropriate manner when it decided not to file a criminal accusation against contractors over alleged bid-rigging in public works projects in Saitama Prefecture, FTC Chairman Masami Kogayu told a news conference.

The denial followed the arrest by prosecutors earlier in the day of former Construction Minister Kishiro Nakamura over bribery charges involving top contractor Kajima Corp.

Nakamura allegedly accepted 10 million yen from Kajima as a reward for using his influence to fend off an FTC criminal complaint in the bid-rigging case. The FTC, after investigating the case, dropped the charge.

The FTC was not able to find evidence to support charges of a criminal act under the Antimonopoly Law, Kogayu said. The FTC, as an independent administrative organ, strictly enforced the law, he said.

Effect on Contractors Viewed

OW1103140894 Tokyo KYODO in English 0955 GMT
11 Mar 94

[Text] Tokyo, March 11 KYODO—The bribery scandal involving a major construction firm will deal additional damage to the already tainted image of Japan's big contractors and hence to their balance sheets, industry sources said Friday [11 March]. The sources said the arrest of former Construction Minister Kishiro Nakamura earlier in the day will further hurt Kajima Corp., which allegedly bribed him, as well as other major contractors.

The tarnished image of these dominant players in the sector, involved in this and other scandals, has already driven many customers away. Worse still, the revelation of the malpractices comes at a time when construction orders had already sunk to a nadir.

Some industry officials, however, saw at least one benefit of the scandal. An executive at a second-tier contractor said, "because of this scandal, politicians will refrain from demanding bribes from us in the future."

"So far, we could not but give them bribes because they would cause us troubles unless we did so," he said.

Prosecutors To Question Inoue

OW1203052494 Tokyo KYODO in English 0443 GMT
12 Mar 94

[Text] Tokyo, March 12 KYODO—Prosecutors plan to question Takashi Inoue, an opposition Liberal Democratic Party (LDP) member of the House of Councillors, as a witness in connection with a bribery case involving a bid-rigging affair, informed sources said Saturday [12 March].

Inoue, 69, is believed to be one of several Diet members that leading contractor Kajima Corp. asked to exercise their influence to help block an accusation by the Fair Trade Commission (FTC) against a bid-rigging scheme involving Kajima in Saitama Prefecture.

By questioning Inoue, prosecutors aim to prove a statement by Kajima's former vice president, Shinji Kiyoyama, 67. He claimed he asked several Diet members, including Inoue and former Construction Minister Kishiro Nakamura, to help his company.

Nakamura, 44, was arrested Friday on suspicion of taking a 10 million yen bribe from Kajima in January 1992.

Nakamura is suspected of taking the money for exerting his influence as deputy head of an antimonopoly lobby to help block the possible accusation by the FTC.

The sources said soon after the FTC made on-the-spot inspections on companies involving in the bid-rigging scheme in May 1991, Kiyoyama asked Inoue how to evade the accusations.

Afterwards, Inoue met then-FTC Chairman Setsuo Umezawa, 62, at his Tokyo office and asked whether the

antimonopoly watchdog would file a criminal complaint over the bid-rigging scheme, the sources said.

Inoue admitted he had met Kiyoyama but declined to comment on whether he was asked about ways to evade the FTC's accusations because investigations are still underway.

The FTC announced in May 1992 that it would not file an accusation with prosecutors due to a lack of evidence and instead ordered the contractors to stop the collusive activities.

The present chairman of the FTC, Masami Kogayu, told reporters Friday that the commission was never influenced by outside forces on decisions involving cases violating the antimonopoly law.

Inoue, former vice construction minister, is known for his close ties with the construction industry. He became director general of the National Land Agency in December 1993 under then Prime Minister Kiichi Miyazawa of the LDP.

Kiyoyama, who is now on trial on charges of sending bribes to former Ibaraki Governor Fujio Takeuchi, was rearrested Tuesday for allegedly sending the bribe to Nakamura.

Meanwhile, attorneys who met Nakamura at the Tokyo Detention House told reporters that he had denied all the allegations against him when he was questioned by prosecutors.

During a 20-minute meeting on Saturday morning, Nakamura was quoted by the two attorneys as saying he has no complaints about the treatment he has received and that he had slept well.

Diet Members Contact FTC Over Case

OW1203123694 Tokyo KYODO in English 1206 GMT 12 Mar 94

[Text] Tokyo, March 12 KYODO—Some 10 Diet members of the Liberal Democratic Party contacted the Fair Trade Commission (FTC) over a bid-rigging affair involving construction giant Kajima Corp., informed sources said Saturday [12 March].

Besides former Construction Minister Kishiro Nakamura, the Liberal Democratic Party (LDP) legislators are believed to have exercised their influence around late 1991 to bail out Kajima from a possible criminal charge over the bid-ridding case in Saitama Prefecture, the sources said.

Nakamura, 44, was arrested Friday on suspicion of taking a 10 million yen bribe from Kajima in January 1992.

Nakamura is suspected of taking the money for exerting his influence as deputy head of an antimonopoly lobby to help block the possible accusation by the FTC. The LDP was in power at that time.

Prosecutors are likely to question Kajima executives including Chairman Rokuro Ishikawa within this week in

a bid to probe the whole picture of Kajima's political maneuvering over the case, they added.

The prosecutors also plan to question Takashi Inoue, an opposition LDP member of the House of Councillors, as a witness in connection with the bribery case involving the bid-rigging affair.

Prosecutors intend to prove a statement by Kajima's former vice president, 67-year-old Shinji Kiyoyama, who claimed he asked several Diet members, including Inoue and Nakamura, to help his company.

The sources said soon after the FTC made the second round of on-the-spot inspections in October 1991 on companies involved in the bid-rigging scheme, Kiyoyama asked Nakamura to dissuade then FTC Chairman Setsuo Umezawa from filing the criminal accusation.

Besides Nakamura, Upper House member Inoue also met Umezawa in late 1991 trying to help block the accusation, the sources said.

Around them some 10 LDP legislators from both houses separately met senior FTC officials in a bid to ask about the progress of the investigation, the sources said.

The FTC announced in May 1992 that it would not file an accusation with prosecutors and instead ordered the contractors to stop the collusive activities.

Judge Approves 10-Day Detention

OW1303045994 Tokyo KYODO in English 0427 GMT 13 Mar 94

[Text] Tokyo, March 13 KYODO—The Tokyo District Court approved prosecutors' request to detain former Construction Minister Kishiro Nakamura, now under arrest for alleged bribery, for 10 days beginning Sunday [13 March], prosecutors said.

Nakamura, 44, was arrested Friday on suspicion of receiving a 10 million yen bribe from giant contractor Kajima Corp. in January 1992.

Under the code of criminal procedure, a suspect can be detained for up to 20 days for interrogation before indictment, following the initial two to three days of detention after the arrest.

The money Nakamura allegedly accepted was intended as a reward for using his influence as a Diet member to help block the Fair Trade Commission (FTC) from filing an accusation against a cartel of 66 contractors, including Kajima, over bid-rigging practices, prosecution sources said.

At the time, Nakamura was the deputy chief of the Special Committee on Antimonopoly Laws of then governing Liberal Democratic Party.

Now an independent member of the House of Representatives, Nakamura has been in custody at the Tokyo detention house since Friday to undergo interrogation by prosecutors.

His arrest came immediately after the Diet stripped Nakamura of parliamentary immunity from arrest following prosecutors' request.

He had refused to comply with prosecutors' questioning over his bribery suspicion. In Japan, apprehending a Diet member while in a parliament session needs Diet approval. The Diet is in a 150-day regular session.

Nakamura Said To Bargain With FTC

*OW1403122094 Tokyo KYODO in English 1119 GMT
14 Mar 94*

[Text] Tokyo, March 14 KYODO—Former Construction Minister Kishiro Nakamura, under arrest for alleged bribery, tried to strike a deal with the fair trade watchdog to have it drop a plan to file a motion against contractors in return for his support on its planned hike in bid-rigging penalties, informed sources said Monday [14 March].

Nakamura, then deputy chairman of the Liberal Democratic Party (LDP) panel on antimonopoly laws, opposed a plan by the Fair Trade Commission (FTC) in December 1991 to raise the maximum penalty on violators to several hundreds of million yen from 5 million yen.

In the Structural Impediments Initiative talks with the United States, Japan was urged to raise penalties against corporations which violate the antimonopoly law.

In February 1992, however, Nakamura reversed his initial reluctance to support the hike after he allegedly received a 10 million yen bribe from leading contractor Kajima Corp. in January and moved to persuade colleagues in the LDP construction lobby to give in to the FTC plan, the sources said.

Prosecutors arrested Nakamura Friday for allegedly accepting the 10 million yen bribe. He quit the LDP last Wednesday.

The money was apparently intended as a reward for using his influence to help prevent the FTC from filing an accusation against a 66-member cartel, including Kajima, for its bid-rigging practices on public works projects in Saitama Prefecture.

He met twice with then FTC Chairman Setsuo Umezawa and pressured him not to file an accusation against the companies, sources said.

The FTC submitted a revised plan on the antimonopoly law to raise the maximum penalty to 100 million yen in March of that year.

It announced two months later that it would not file an accusation with prosecutors against the cartel.

FTC Chairman Masami Kogayu said Friday the commission was never influenced by outside forces on decisions involving cases impinging the Fair Trade Law.

Project Suspension Allegedly Urged

*OW1403084494 Tokyo KYODO in English 0726 GMT
14 Mar 94*

[Text] Mito, March 14 KYODO—Former Construction Minister Kishiro Nakamura, under arrest for suspected bribery, told a city mayor to suspend a municipal project to build an education center, saying he should have been consulted first, informed sources said Monday [14 March].

Nakamura, arrested last Friday after the Diet voted to lift his immunity, summoned Hiroshi Kanbayashi, mayor of Mitsukaido in Ibaraki Prefecture, to his political office and expressed anger at the project, the sources said.

The incident occurred last October 3 even though Nakamura had lost his cabinet place in the defeat of the Liberal Democratic Party (LDP) government in elections in August.

The city lies within the Ibaraki No. 3 constituency for which he sits in the House of Representatives.

Kanbayashi told KYODO NEWS SERVICE, "Although the project to build the center falls under the jurisdiction of the city government, I could not refute his criticism as he abruptly forced his conclusion on me."

The sources quoted Nakamura as telling the mayor in an apparent expression of his disapproval, "Why did you decide to go ahead with such an important project without consulting me beforehand?"

Nakamura was apparently angered at the news that the city government had picked a general contractor as the winning bidder for the 3.1 billion yen project without consulting him in advance, the sources said.

Kanbayashi asked for time to reconsider the matter.

In a session in September of the Mitsukaido Municipal Assembly, a questioner asked city officials why the city government had so quickly selected the contractor.

The project calls for completing the community center on the 6,550-square-meter site in the year ending in March 1996. It is an exceptionally large project for the city, whose annual budget stands at around 13 billion yen.

Lower House Budget Deliberations Not Scheduled

*OW1103140694 Tokyo KYODO in English 1347 GMT
11 Mar 94*

[Text] Tokyo, March 11 KYODO—Ruling coalition and opposition parties failed Friday [11 March] to set a timetable for a Diet budget panel to deliberate the fiscal 1994 state budget because of a dispute over Prime Minister Morihiro Hosokawa's loan from a scandal-ridden firm.

Senior members of the House of Representatives Budget Committee, comprising both ruling coalition and opposition parties, held sessions on and off to set a schedule to deliberate the 73.08 trillion yen national budget for fiscal 1994, which starts April 1. Deliberations were earlier expected to start as early as Monday.

However, negotiations broke down after the main opposition Liberal Democratic Party (LDP) and the Japanese Communist Party (JCP) stuck to their demands for the government to submit detailed documents concerning 100 million yen Hosokawa borrowed from leading trucking firm Sagawa Kyubin Co., officials said. The dispute could force the panel to delay budget discussions until late next week, they said.

The government on Friday submitted to the panel some documents relating to the loan but the two parties were dissatisfied, saying the documents were not sufficient to clear their doubts on the matter, they said. The two parties renewed their demands that the government offer further detailed documents, the officials said.

Last December, Hosokawa said in a memo submitted to the Diet that he borrowed the money from Sagawa Kyubin in September 1982 to buy a condominium in central Tokyo and repair his home in Kumamoto Prefecture. The premier said he repaid the money by January 31, 1991.

Sagawa is a leading parcel delivery firm which was involved in a money-and-mobster scandal which implicated former Prime Minister Noboru Takeshita and fallen LDP power broker Shin Kanemaru.

Finance Minister: Economy in Delicate Stage

OW1203011394 Tokyo KYODO in English 0036 GMT
12 Mar 94

[Article by Kohei Murayama: "Higher Rates Hindering Optimistic Comments on Economy"]

[Text] Tokyo, March 12 KYODO—Japan's financial officials are handling with care the recent bright spots to stop bond market players from overestimating them as clues to an imminent economic upturn.

At a press meeting Wednesday [9 March], Finance Minister Hirohisa Fujii described the economy as "mixed" in a "delicate stage," backing off from his Sunday comment at an informal speech that it is his personal view the economy has hit bottom.

On the same day, Bank of Japan governor Yasushi Mieno told reporters, "If the economic trend is poised to change, it's natural for long-term rates to rise but our assessment suggests that a more careful watch is necessary."

Mieno reiterated that the economy remains mixed with a further watch necessary over the "sustainability and expansionary potential" of the recent upward signs.

With economic indicators increasingly showing improvements over the past two months this year, the yield on the benchmark government bond issue dropped more than 1 percentage point to briefly top 4 percent for the first time since before the central bank last cut its official discount rate to a record-low 1.75 percent.

Mieno advised against prematurely judging the improvements shown in some consumption and production indicators, with bad memories apparently fresh in the mind of economic policy makers.

At about the same time last year, financial authorities declared that the economy was poised to recover, given some clues in consumption and production. But against their expectations, the economy slipped further on the yen's sharp rise and the cold and wet summer.

With hopes dashed, overly pessimistic corporate and consumer sentiments rose and still undermine the overall economy, economists said.

This time, premature optimism poses a clear risk—the continued rise in long-term rates further undermining corporate capital investment and putting a brake on housing spending, they said.

The higher market rates resulted in a round of hikes in long-term prime lending rates charged by banks to major companies. In addition, rates on private housing loans linked to the prime rates are certain to increase in April.

Mieno said higher long-term rates are "obviously negative" for the economy but it is just one of many factors determining business conditions.

Mieno said overestimated market reactions will be "digested in the basic economic current" and an "immediate impact is unlikely from the higher interest rates."

Fujii also said the bond market is overreacting and a correction is inevitable.

The Finance Ministry has its own reasons to stop long-term rates from rising since the latest rally in the bond market is partly blamed on its oversupply of government bonds.

The ministry said it plans to issue a record 36.53 trillion yen in government bonds in the coming fiscal year, up 6.61 trillion yen from its original plan in the initial fiscal 1993 budget.

That will break the record 29.92 trillion yen initially planned for the current fiscal year ending March 31.

On top of the two straight years of record-breaking bond supply, the ministry plans to increase placement in the private sector in fiscal 1994 because of tight budgets in the private sector led by its trust fund bureau.

Private-sector issuance is to rise 7.56 trillion yen from this fiscal year's initial plan to 28.76 trillion yen but the amount for the public sector will fall by 95 billion yen to 7.77 trillion yen.

A ministry financial bureau official told reporters in announcing the bond plan in February that there was "no big concern" over rising rates as the economy remained stagnant and credit policy loose.

BOJ governor Mieno said increased bond issuance is one reason for higher long-term rates, although several other

factors existed, such as a correction from excessive hopes for lower rates on the recent rally in stock prices.

Meanwhile, Mieno also made cautious comments in explaining the economic mix to avoid giving an overly pessimistic impression.

He stressed that the economy is in better shape than it was a year before, citing progressed inventory adjustments, expected effects from the latest 15.25 trillion yen stimulus package and the recent "state of remission" of the yen's rise.

Indeed, the latest developments seem to pose a double-edged sword—higher rates if taken positively and dampened sentiment if taken negatively to stymie a recovery.

Local Governments Plan To Issue Budget Bonds

*OW1103132494 Tokyo KYODO in English 0924 GMT
11 Mar 94*

[Text] Tokyo, March 11 KYODO—Japan's prefectural and municipal governments will issue a record 1,690.0 billion yen worth of bonds to maintain balanced budgets in the current fiscal year through March 31, the Home Affairs Ministry said Friday [11 March].

The figure marks a sharp increase from 1,102.8 billion yen worth of issues made the previous year, the ministry said. It attributed the rise to a sharp decrease in prefectural tax income due to the recession.

Issues by the country's 47 prefectures account for 1,365.8 billion yen of the total figure. It is the first time all of the prefectures will issue such bonds.

Twelve designated big cities, including Osaka and Nagoya, will float a combined 105.6 billion yen worth of bonds and 650-700 other smaller autonomies 218.6 billion yen worth.

Prefectural and municipal governments are allowed to issue bonds when operational and residence taxes paid by corporations and others fail to reach estimated sums. The ministry estimates tax revenues for prefectural and municipal governments will fall 1.4 trillion yen short of the originally projected 34.55 trillion yen.

MITI: Business Sentiment Stops Deteriorating

*OW1103125094 Tokyo KYODO in English 1007 GMT
11 Mar 94*

[Text] Tokyo, March 11 KYODO—Corporate business sentiment stopped deteriorating in February, the Ministry of International Trade and Industry said in a quarterly report Friday [11 March]. The industrial survey, conducted February 15 on 162 firms in 20 sectors, said 21 percent observed deterioration in business conditions, an improvement from 29 percent in the November survey.

On the other hand, 4 percent reported an upswing in business conditions, a minor increase from 3 percent in November. Seventeen percent forecast that business will worsen in the coming six months, compared with 28 percent previously.

Those who predicted a business pickup came to 19 percent, up from 12 percent, the survey showed.

On the course of Japan's economy, 19 percent forecast a recovery in six months, up from 15 percent, while 9 percent expect it to worsen, a change from the previous 24 percent. Of those polled, 95 percent replied their business conditions will not recover until the second half of 1994, while 98 percent said the domestic economy will not pick up until after the second half.

The survey found 17 percent optimistic about the likelihood of a rise in shipments in the coming six months, up from 14 percent in the previous poll. Conversely, 18 percent forecast a drop in shipments in an improvement from 26 percent.

On the state of corporate inventory, 38 percent felt inventory to be in excess, down from 43 percent.

The poll revealed 25 percent expected their earnings to improve in the six-month period, up from 20 percent, while 21 percent had a pessimistic outlook, down from 28 percent.

The survey said the nation's labor situation has worsened, with 27 percent feeling a manpower surplus against 22 percent in November. A MITI official said labor conditions serve as a lagging indicator for the economy.

The latest MITI survey contained a question regarding possible effects on the business mind of the yen's rapid gain in the middle of February.

Of 98 firms polled, 59 percent cited the Japanese currency's appreciation against the dollar as a factor eroding their earnings. The yen surged by a combined 6 yen-plus to the dollar on February 14 and 15, when the survey was conducted.

Corporations Obligated To Disclose Gains, Losses

*OW1403123394 Tokyo KYODO in English 1158 GMT
14 Mar 94*

[Text] Tokyo, March 14 KYODO—Corporations which open their stocks to investors will be obliged to disclose latent gains or losses on forward exchange contracts, starting in fiscal 1994, Finance Ministry officials said Monday [14 March].

The officials said the decision was made in a revision of the Securities and Exchange Law, which was made public in the official gazette.

They said the new law makes it mandatory for companies listed on the market to disclose information related to forward exchange contracts.

It will mean revealing the outstanding amount of contracts and their value in yen terms at the time the contracts were signed and at the end of their business terms.

The officials said the decision was in line with recommendations made last June by an advisory panel for the finance and trade ministers.

Investors have raised demands for the disclosure of such information since last year after Showa Shell Sekiyu K.K. suffered a loss of more than 100 billion yen in forward exchange contracts.

Ministries Disagree Over Deposit Rate Decontrol

*OW1403121394 Tokyo KYODO in English 1037 GMT
14 Mar 94*

[Text] Tokyo, March 14 KYODO—The planned deregulation in June of interest rates on ordinary bank deposits may be delayed as intra-government negotiations over the issue have hit a snag, government sources said Monday [14 March].

The Finance Ministry and the Posts and Telecommunications Ministry are at odds over how to set interest rates on the Posts Ministry's ordinary postal savings, scheduled to be liberalized in line with those on rival ordinary savings.

The Posts Ministry wants the savings' rates to be linked with market rates, such as certificate of deposit (CD) rates.

The Finance Ministry opposes the idea, however, and has demanded that ordinary savings rates move in tandem with those on ordinary deposits, to be set freely by banks from June.

The Finance Ministry has proposed that the postal savings bear interest rates somewhat higher than the average interest rates on ordinary deposits after deregulations come into force.

The Posts Ministry criticized the Finance Ministry for acting only for banks and ignoring the interests of consumers. Market-linked rates are expected to be relatively higher than bank-set rates.

"The Finance Ministry speaks on behalf of banks, which want to keep ordinary deposit rates as low as possible," a Posts Ministry official said. "The Finance Ministry should advise banks to be less egoistic."

The sources said the deadlock in the negotiations makes it look uncertain that a law revision required for the deregulation can be submitted to the Diet within April, the deadline for the change to be implemented in June as originally planned.

Hokkaido Farmers Plan Agricultural Cooperative

*OW1203082094 Tokyo KYODO in English 0732 GMT
12 Mar 94*

[Text] Kushiro, Hokkaido, March 12 KYODO—A group of dairy farmers in Hokkaido, northern Japan, said Saturday [12 March] they plan to establish a new agricultural cooperative next month to cut the import cost of animal feed, fertilizers, and other materials.

The farmers expect to seek approval soon from the Hokkaido Prefectural Government on the proposed establishment of a regional cooperative, separate from an existing national network of agricultural cooperatives.

More than 100 farmers are likely to join the new cooperative.

Under present plans, the cooperative will sell South Korean fertilizers at 900 yen per 20-kilogram bag, instead of the 1,500 yen charged by existing cooperatives, the farmers said.

Some farmers have complained about the allegedly high prices existing cooperatives charge for animal feed and fertilizers.

Pollees Express Concern Regarding Food Supply

*OW1303091694 Tokyo KYODO in English 0854 GMT
13 Mar 94*

[Text] Tokyo, March 13 KYODO—A growing number of people in Japan are feeling misgivings about the country's food situation in the future, a government survey released Sunday [13 March] said.

The survey showed that 71.1 percent of pollees expressed concern over the food situation in the future, up 8 percentage points from 62.8 percent in the previous survey in 1990.

Of those people, 66.3 percent cited as the reason for their concern bad harvests caused by unusual climate or natural disasters, sharply increasing from the previous 41.1 percent.

Asked about measures to secure a stable food supply, 77.4 percent emphasized the domestic production of foodstuffs, slightly up from the survey before, while those who responded that the country should increase stockpiles shot up to 30.6 percent from 15.4 percent.

The prime minister's office conducted the poll, the seventh of its kind, last November before Japan agreed in mid-December to partially open its rice market from 1995 in line with the results of the Uruguay Round of global trade talks.

The survey sample covered 3,000 people aged 20 or older across the country with 74 percent responding.

It found that 77.4 percent favored the domestic production of foodstuffs even if the price is higher than products from overseas. The figure was more than four times the 17.4 percent of respondents who said they would prefer importation of cheaper foreign products.

On rice, 97.6 percent said they like the Japanese-style diet of rice and 94.1 percent regarded rice as the staple food in the country.

The figure for people who said the Japanese should eat more rice, however, dropped to around 56 percent from 68 percent in the previous survey.

Japan plans to import a total of two million tons of rice from China, Thailand and the United States to make up for a shortfall caused by a record poor domestic production last year.

Eating foreign rice is a rare experience for Japanese because the country has banned rice imports for many years. Since late February people have lined up to buy domestic rice with the apparent scarcity of it on the shelves.

Japan reversed its decades-old farm policy last December with an announcement that it will accept a compromise arrangement under the General Agreement on Tariffs and Trade.

The compromise requires Japan to buy up to 8 percent of its rice consumption from foreign growers over a six-year moratorium in return for full "tariffication" of rice imports.

North Korea

Delegate to North-South Talks on Envoy Exchange

SK1203094994 *Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 12 Mar 94*

[Text] The sixth working-level delegates' contact was held for the exchange of top-level special envoys of the North and the South. The sixth working delegates' contact for the exchange of top-level special envoys of the North and the South was held in the South side area of Panmunjom on 12 March amid great expectations and interest of the people at home and abroad. The head of our sides' delegation made the following keynote statement regarding the contact:

We had the sixth round of contact today with a keen awareness of the importance to the nation of the mission of the delegates of the two sides.

The people at home and abroad are uneasy now about the prospects for the exchange of special envoys and are expressing deep worries over the continually slow progress of our working delegates' contact. Therefore, we think we should give good news to the people at home and abroad who are observing this contact by announcing a breakthrough in the present stalemate [kyochak sangtae] by joint efforts at today's contact, and would like to clarify our position.

As your side is aware, the issue of exchanging top-level special envoys of the two sides was initiated by our side, and we have since made all sincere efforts to realize it.

Our side initiated the proposal for the exchange of special envoys last year, from the ardent desire to truly improve and develop North-South relations, paying attention to your side's [South Korea] remarks—as have already been reported—that your side would place the nation at a foremost position and that no ally can be better than the nation after the launching of the civilian regime, expressing hopes for a meeting of top-level leaders at, for instance, Mt. Paektu or Mt. Halla or any place.

If your side truly possessed the will to resolve all the important issues raised between the North and the South between fellow countrymen, hand in hand with the

national position, and maintained the position to hold a meeting of top-level leaders, your side should have sincerely accepted our new proposal for the exchange of special envoys.

Your side, however, suddenly changed the attitude you took in the initial stage of the launching of the regime and rejected our proposal for an envoy exchange by insisting on working talks on a lower level. Moreover, deviating from the national position, your side attempted to harm the fellow countrymen in cooperation with outside forces. Your side even went so far as to say that your side cannot shake hands with the dialogue partner with nuclear weapons, thus totally rejecting the envoy exchange.

In fact, our nation consists of fellow countrymen connected with one blood lineage whether they live in the North or in the South. The fellow countrymen in these relations are conducting large-scale nuclear war exercises against the fellow countrymen and seeking an international alliance [kukje kongjo cheje]. What need and what good will this bring about for our nation?

The North and South are fellow countrymen, not strangers, even though they have different ideas and systems. Dialogue between us should be dialogue for national interests, not dialogue for outside force, even though we have different views.

Therefore, from a sincere attitude of giving priority to national dignity and interests and resolving all issues based on the principle of national independence, we sometimes gave advice to your side and criticized your side's unjust position and attitude, and at other times showed generosity and concessions and expected that your side would assume a national position and become an independent dialogue partner.

Because we expected your side, just like our side tried to, would sincerely assume a national position and exchange special envoys for the sake of national interests, we demanded that your side discontinue all large-scale nuclear war exercises and abandon an international alliance. Moreover, we recently asked your side to cancel its plan to introduce Patriot missiles and its remarks that it cannot shake hands with those who have nuclear weapons. We did so not to pick a fight but to sincerely exchange special envoys and improve North-South relations in compliance with basic national interests. I think our sincere position has won deep sympathy from public opinion at home and abroad and sympathy and due support even from many people on your side.

Because the exchange of top-level special envoys of the North and South is an important matter and because the missions of special envoys are urgent for the sake of national interests, correctly solving problems, which are stumbling blocks to the exchange of special envoys, is a pressing task that should be resolved on a priority basis.

Our just proposal and position has not received a due response from your side for almost one year. We repeatedly expressed regret over this to your side, gave exhaustive, lengthy explanations and advice to your side, and patiently urged your side to agree on the contact for the exchange of special envoys.

As a result, your side has today changed its course toward exchanging special envoys—changing last year's opposition to the exchange of special envoys.

Of course, your side's present attitude is still different from the position our side assumed when it proposed the exchange of special envoys. Your side has tried, first, to exchange special envoys to pursue its own interests.

Under circumstances in which your side has accepted our proposal for the exchange of special envoys and has tried to exchange special envoys, no matter the reason your side may have done so, our side would like your side to clarify its position on a few matters.

Your side must make clear, first, is that it is necessary for your side to admit that when we proposed the exchange of special envoys, you automatically [toponoko] opposed it. We acknowledge that your side must make this matter clear without fail for the successful exchange of special envoys.

The second thing your side must make clear is that your side consistently opposed our side's proposal regarding the envoy exchange in the past.

Our side had proposed to your side's former authorities when the first North-South dialogue started 20 years ago that the North-South summit should be held. Later, we have proposed on many occasions through official and unofficial channels that the North-South summit should take place. In particular, our side's special envoy visited Seoul in early April 1992 and invited your side's top-level leader to Pyongyang. At that time, heads of state and government and prominent figures of many countries came to Pyongyang and congratulated our respected and beloved leader on the occasion of his 80th birthday and had significant meetings with him.

Your side, however, even though we are the same fellow countrymen, did not come to Pyongyang, turning down our special envoy's proposal and, as a result, the North-South summit failed to take place. However, we have never mentioned this.

The reason we make this clear today is because we want to prevent the unpleasant past regarding the envoy exchange of the North and South from occurring again.

Realizing the exchange of special envoys by the two sides and resolving all pending issues, including the issue on denuclearization, through discussions is the earnest desire of the nation. Such being the case, under any circumstances, the two sides should exert joint efforts to realize the envoy exchange from the view of being the same fellow countrymen. By so doing, we will prepare a starting point for North-South relations.

Accordingly, if the two sides continue to debate over whether we cannot accept your proposal since it is yours or that you should accept this because it is ours by holding firm [choltaehwa] to its own position, as we did in today's contact, the opportunity for the envoy exchange, which was achieved with much effort, will never materialize again.

Out of a such stance, we deeply studied and examined your side's proposals and remarks made during the last working-level contacts and a private meeting between the heads of both sides. Putting all accounts together, we reached the conclusion that your side suggested that the issues of giving up the international alliance and canceling all large-scale nuclear war exercises, which were put forth by our side, might be dealt with and resolved when special envoys are exchanged.

Your side also said that the decision on suspending the 1994 Team Spirit joint military exercise had been made and more efforts should be concentrated, from the national view point, on the international alliance. Your side said the plan for the introduction of Patriot missiles had been shelved. Your side said it reversed its decision not to shake hands with those who have nuclear weapons because the situation had changed since the remark was made last June and because your side's top authority said later that the North had no nuclear weapons judging from information available.

This position of your side, on the whole, is short of our expectations, but we would keep it in mind [kue yuuihagojo handa], as an expression of understanding the feasibility of the four demands we raised.

Therefore, I would like to put forth the following constructive proposal as a momentous step to conclude the working delegates' contact today and exchange the top-level special envoys of the North and the South.

First, I propose to take one momentous joint step to give the people at home and abroad a hope for the envoy exchange. For this step, we suggest that the North and the South promulgate at home and abroad in the form of a joint communique [kongdong podo] that the two sides reconfirm their intention to exchange top-level special envoys and have completely agreed to exchange the special envoys at an early date.

If we issue this joint communique, we will be able to give great joy to the people at home and abroad, who are worried about the prospects of the envoy exchange, and it will be a manifestation that the delegates of our two sides are fulfilling their responsibility to the nation.

Second, I propose that the two sides seriously discuss and bring to a conclusion the draft agreement on procedural matters that they have put forward in today's contact. In this connection, since our side has put forward a new counterproposal, fully taking into consideration the draft agreement that your side put forward during the previous contact, we think that the two sides can easily arrive at a settlement if we hold clause-by-clause discussions on it.

We think there is no reason why your side should not accept our new proposal. As our side has shown broad-mindedness in the generous position to realize the envoy exchange urgently, it can be said that the early realization of the envoy exchange is entirely dependent upon your side's attitude. We express a hope that the top-level special envoys of the North and the South will travel between Pyongyang and Seoul at an early date as a result of your side positively responding to our sincere position. [end DPRK delegate statement]

After the conclusion of the statement, the two sides began to discuss specific problems. Our side repeatedly urged the other side to take steps to announce to the nation in a joint communique that the two sides reconfirmed each other's intention of exchanging special envoys and agreed to realize it at an early date. The South side, however, refused to accept our side's proposal to take joint steps with unreasonable excuses and pretexts. The South side said that they can only issue a joint communique if the two sides agree on the working procedural matters as well, and made an absurd assertion that taking joint steps is meaningless.

Refuting this assertion of the South side, our side questioned the reason for not issuing a joint communique on the two sides' agreement on the exchange of special envoys now that all suspicions have been dissolved—the suspicion of the South side that the position of our side, which initially proposed the envoy exchange, for the envoy exchange is doubtful [pultumyong hadago]; and the suspicion of our side of the doubtful view of the South side, which obstructed the envoy exchange by laying four crossing gates [negaji chadanbongul mandulgo].

When the head of the delegation of our side asked the South side if it objects to the envoy exchange [tuksa kyohwanul haryonundenun tarungosi omnungarago murunde taehae], the South side said no. So our side stated that the intention of exchanging special envoys is reconfirmed. When our side asked the South side if it has a different opinion on the exchange of special envoys at an early date, the South side also said that it shares the same view of our side. So our side confirmed that the two sides share the same view on this matter as well, and asked under these circumstances why the two sides cannot issue a joint communique to inform the nation. However, the South side blindly opposed the issuance of a joint communique.

Our side repeatedly questioned if we can brand the South side's attitude as their lack of intention to exchange special envoys and as its intention to delay the envoy exchange. However, the South side could not reply.

Our side stressed again and again that there is no reason why the two sides cannot issue the communique now that the two sides have clearly confirmed the intention to exchange special envoys and shared the same view that the envoy exchange should be made at an early date. In

addition, our side strongly asserted that under the circumstances in which a joint communique cannot be issued, the two sides should report it as each side considers appropriate.

However, the South side said that it cannot do this, either.

Our side said emphatically that we will report it in our own way [urinun uridaero podohalkosirago] irrespective of the South side's intention.

During the contact, the working procedural matters were discussed for the envoy exchange.

In the discussion of the working procedural matters, out of the 28 points of 13 articles contained in the draft agreements put forward by the two sides, they agreed in principle on all but four articles.

In the discussion of the working procedural matters, the South side insisted on its unreasonable position and took a negative attitude toward the principled and important matters related to the tasks of the special envoys, such as adherence of the North and the South to the principle of national independence, confirmation of the way of national reunification, and the promotion of the great unity of the whole nation.

Our side gave a logical and reasonable refutation to the South side's unjust assertion, repeatedly stressed the justness of our side's draft plan of working procedural matters, and hoped that the South side will take a position to bring about a turning point by coming to the next contact after making further study of our side's plan so that the two sides may affix their final signature to the draft agreements without fail.

Then followed a tete-a-tete contact of the senior delegates of the two sides.

It was agreed that the seventh working contact would be held at the Tongilgak in our side's area of Panmunjom on 16 March.

KCNA Reports Delegate's Comments

SK1203105094 Pyongyang KCNA in English 1040
GMT 12 Mar 94

["Sixth Working Contact for Exchange of Presidential Envoys"—KCNA headline]

[Text] Panmunjom, March 12 (KCNA)—The sixth working contact for the exchange of presidential envoys between the North and the South was held in the South side's portion of Panmunjom today.

The head of the North side's delegation said at the contact that the exchange of presidential envoys between the two sides had been proposed by the North side and it had made all sincere efforts for its realization.

Noting that the South side which had opposed this exchange last year has accepted our proposal and is willing to exchange special envoys, he said he was going to make clear the following points now.

He said:

Firstly, it is required of the South side to admit that it had categorically opposed the exchange of special envoys when we proposed it.

It is a matter which must be clarified for a successful realisation of the exchange of special envoys in the future.

Secondly, the South side had consistently refused top-level talks which we had proposed in the past.

As far back as more than 20 years ago when the first North-South dialogue began, our side proposed to the then authority of the South side to have top-level talks between the two sides and, in the later period, proposed to the South side a summit meeting between the two sides officially and unofficially several times.

Especially, in early April, 1992, a special envoy of our side visited Seoul and invited the South Korean top authority to Pyongyang.

At that time, heads of state and government and prominent figures of many countries came to Pyongyang and congratulated our respected leader President Kim Il-song on his 80th birthday and had significant meetings with him.

The South side of the same nation, however, turned down our special envoy's invitation to visit Pyongyang and so a summit between the North and the South could not be held.

But we had never mentioned it.

Today we are clarifying these facts in the hope of strictly preventing the recurrence of the unhappy things of the past concerning the question of the exchange of special envoys between the North and the South.

Stating that the North side had deeply studied and examined the proposals and remarks made by the South side at the last working contact and the one-to-one contact between the heads of both sides, the head of the North side said:

In this we have reached the conclusion that your side suggested that the issues of discontinuing all large-scale nuclear war manoeuvres and stopping seeking an "international cooperation system," which were raised by the North side, might be discussed and resolved when the sides exchanged special envoys.

Your side also said that it had decided not to stage the "Team Spirit 94" joint military exercises and greater efforts should be made from the national viewpoint with regard to the issue of the "international cooperation system."

And your side said the situation has changed now because your side had already decided to shelve the plan to introduce Patriot missiles and as for the remarks of your side's top authority that he "cannot shake hands with a party possessed of nuclear weapons", he made them in

June last year and later said judging from information available, the North had no nuclear weapons.

The head of the North side delegation said although this position of the South side was still not satisfactory enough, the North side took note of it, regarding it as an expression of understanding of the reasonableness of the four-point demand raised by the North side.

Then he proposed to the South side, as a dramatic step for the exchange of presidential envoys between the North and the South, to announce at home and abroad in the form of joint communique that the North and the South confirmed again each other's intention to exchange special envoys and reached a complete agreement on the exchange of special envoys at the earliest possible date, and to discuss the drafts of agreement on working procedures put forward by both sides and finalize it at the contact today.

After the speech of the North side the two sides entered into the discussion of detailed matters.

The North side repeatedly urged the other side to take a joint step of announcing to the nation in a joint communique that they confirmed again each other's intention to exchange special envoys and agreed to realize it at the earliest possible date.

The South side, however, refused to accept it under unreasonable excuses and pretexts.

The North side stressed again that because both sides confirmed their will for the exchange of presidential envoys and agreed to realise it at the earliest date possible, there is no reason to refrain from reporting about it.

It suggested releasing news reports separately according to each side's convenience if a joint communique was not to be published. The South side opposed it, too.

The North side said it would publish a news report of its own in disregard of the South side's opinion.

The sides entered into a discussion of the working procedures for the exchange of presidential envoys.

Out of the 28 points of 13 articles contained in the drafts put forward by the sides, they reached an agreement in principle on all but four articles.

The South side insisted on its unreasonable position and took a negative attitude toward principled and important matters related to the tasks of the special envoys such as adherence of the North and the South to the principle of national independence, confirmation of the way of national reunification and promotion of great unity of the whole nation.

Then followed a tete-a-tete contact of the chief delegates of both sides.

It was agreed that the seventh working contact would be held at the Thongil House in the North side's portion of Panmunjom on March 16.

Daily Urges Implementation of Nuclear Agreements

*SK1303082494 Pyongyang KCNA in English 0818
GMT 13 Mar 94*

**["Agreed Conclusions Must Be Implemented Strictly"—
KCNA headline]**

[Text] Pyongyang, March 13 (KCNA)—If the United States is truly willing to find a negotiated solution to the nuclear issue on the Korean peninsula, it must honestly and strictly implement the agreed conclusions reached at the DPRK-U.S. contact in New York, urges NODONG SINMUN today.

Recalling that at a time when the third round of DPRK-U.S. talks is due on March 21, some seditious forces of the United States, Japan and South Korea are trying to obstruct the implementation of the agreed conclusions, insisting on preconditions and hard lines against the DPRK, the news analyst says:

This is an anti-dialogue move of those who hate a negotiated solution of the nuclear issue on the Korean peninsula.

By calling for preconditions, those seditious forces seek to hinder the implementation of the agreed conclusions reached at the New York DPRK-U.S. contact and lower the checkbar on the way of the solution of the nuclear issue through dialogue and negotiation which has been paved with much difficulty.

Things, however, will not go as they wish.

The point is how the DPRK and the U.S. promote the process of the peaceful settlement of the nuclear issue on the Korean peninsula which has been put on the right track, with a sound thinking faculty, not caring a bit about the moves of any seditious force.

The situation may develop to a grave phase, if any side delay or foil the implementation of the agreed conclusions, seeking its selfish purpose or lending an ear to the seditious voices.

The seditious forces must renounce the reckless attempts to block the solution to the nuclear issue on the Korean peninsula.

What is needed at the present moment with the third-round DPRK-U.S. talks ahead is to do act in favor of the settlement of the nuclear issue on the Korean peninsula.

If a dialogue partner set unreasonable preconditions and, furthermore, take up the refrain of the call of the seditious forces for tough measures, that will result in spoiling the atmosphere of dialogue and negotiation.

U.S., ROK Stage 'War Exercise' 10 Mar

*SK1203050894 Pyongyang KCNA in English 0435
GMT 12 Mar 94*

[Text] Pyongyang, March 12 (KCNA)—The U.S. imperialists staged a war exercise for a surprise bombing on designated targets in the North Thursday [10 March] with

some ten Japan-based pursuit-assault planes in the skies above Sangdong and Kunwi, South Korea, military sources said.

Meanwhile, an Okinawa-based RC-135 strategic reconnaissance plane committed an overall photographing and electronic reconnaissance in the South Korean airspace on the northern half of Korea.

That day, the South Korean puppets mobilized some 800 armed bandits in a war exercise on the forefront in Chupa-ri, Chorwon County, South Korean Kangwon Province. A 105-mm artillery group of the puppet army fired about 90 shells at spots adjacent to the demilitarized zone along the military demarcation line.

Radio Reports Exercises

*SK1203020894 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 11 Mar 94*

[Text] The U.S. imperialists and South Korean puppets have dared to conduct long-range bombing exercises to occupy enemy positions. According to military sources, the U.S. imperialists' Marine Air Corps from overseas bases on 10 March made sorties over the South Korean skies and conducted provocative long-range surprise-attack bombing exercises aimed at a northward invasion.

On 10 March, some 12 pursuit planes took off from a base in Japan, refueling in mid air, and ran wild in the surprise bombing exercise of given objects in attack position in the skies over areas near Sangdong and Kunwi, South Korea as well as the exercise of returning to the base.

The war exercise, which was conducted with the support of aerial refueling planes, was a dangerous game to enhance the actual-combat capability of the long-range air corps in the surprise bombing of objects inland of the northern half of the Republic.

While the war exercise was going on, an RC-135 strategic reconnaissance plane, that flew from a base in Okinawa over the South Korean skies, made a long-distance flight over areas near the Military Demarcation Line [DML], took comprehensive pictures of the whole area of the northern half of the Republic, and conducted electronic reconnaissance.

In the meantime, the South Korean puppets ran amok with provocative war exercises, which were very agitating to us, near the Demilitarized Zone [DMZ] of the MDL. On 10 March, over 800 puppet Army's armed villains loaded in some 50 armored cars advanced up to the fore areas near Chupa-ri of the South Korean Chorwon County, and worked themselves into a war frenzy openly occupying a battle position in broad daylight. Prior to this, on 9 March, the puppet Army's 105mm artillery groups appeared near Chongja-ri, Paju County and Chungsan, Yonchon County, Kyonggi Province, were filled with northward invasion frenzy and dropped over 90 bombs in areas near the DMZ of the MDL.

World Body Urges Repatriation of North Soldiers*SK1203103194 Pyongyang KCNA in English 1013
GMT 12 Mar 94*

[Text] Pyongyang, March 12 (KCNA)—The international association against torture strongly demanded the repatriation of Kim In-so and Ham Se-hwan to the Northern half of Korea, two old men who had been forced to a prison life for over thirty years in South Korea after they were taken prisoners in 1951 and 1953 during the Korean war, and are now kept in South Korea.

In a letter to the South Korean authority demanding their repatriation, the association recalled that they had been subjected to brutal and inhuman tortures and maltreatment in prison and noted that their health has run down further under the present living condition and discrimination.

The letter said that though Kim In-so and Ham Se-hwan sent a petition requesting their repatriation to the North for their reunion with their families to the South Korean Red Cross and the International Committee of the Red Cross, the South Korean Red Cross has not accepted it.

The letter urged the South Korean authorities to immediately take a measure for their reunion with their families in the North.

Links to Alleged ROK Criminal/Terrorist Denied*SK1403112194 Pyongyang KCNA in English 1048
GMT 14 Mar 94*

[Text] Pyongyang, March 14 (KCNA)—The South Korean puppet Security Planning Board (SPB) [Agency for National Security and Planning—NSP] recently invented and made public the case of “Yi Pok-hon’s visit to the North” in a bid to do harm to the Democratic People’s Republic of Korea, according to a report from Seoul.

It alleged that Yi Pok-hon, 32, who had been sought by the police in South Korea in 1990 on the suspicion of swindles, went abroad and joined an international criminal organization engaging in drug trafficking and terrorism by contract and then received terrorist training by traveling to the northern half of Korea on several occasions and conducted secret activities to get rid of anti-North activists overseas at the dictate of the North, before being arrested.

This is an utterly groundless, preposterous drama invented premeditatedly by the “SPB” pursuing a sinister political purpose and a disgusting offshoot of the anti-DPRK plot aimed at slandering the North.

It is sheer nonsense that Yi Pok-hon, a ghost invented by the “SPB”, came to the North. And still more preposterous is the claim that the North gives terrorist training.

We take a serious view of the ridiculous charge of the “SPB” that we invited scores of members of the afore-said criminal organization to the North with the assistance of Yi Pok-hon and gave them special military training and, at the same time, have sold arms through them.

It goes without saying that this is another brainchild for attaching “seriousness” to the case of “Yi Pok-hon’s visit to the North.” We, however, feel it necessary to decisively refute the vicious political plot of the puppets to impair the dignified international image of the DPRK by linking it with an international criminal organization.

The case is only a sequel to a long string of the anti-DPRK plots which the “SPB” had hatched each time the situation turned unfavorable to them. It is nothing but a drama to cover up their poor position in which they have become a target of worldwide denunciation over the issues of the “National Security Law” and human rights abuses in South Korea, and avert elsewhere the attention of the world people.

The case only shows how nervous the Kim Yong-sam puppet clique has got over the fact that the DPRK’s authority and prestige is growing not only in South Korea but in the international arena, while they have got into hot water.

Therefore, we cannot but see behind the criminal scheme of the Kim Yong-sam puppet clique to deliberately balk the ongoing working contact for the exchange of special envoys between the North and the South and obstruct the third round of the DPRK-U.S. talks at any cost and thus isolate and stifle the North with the “international cooperation system.” If the Kim Yong-sam puppet clique wants to frighten the North with a base drama which cannot work with anyone, it would be a serious mistake.

Daily Cites Amnesty’s Report on ROK Rights*SK1203054694 Pyongyang KCNA in English 0451
GMT 12 Mar 94*

[“Indictment Against ‘Civilian’ Fascist Hangman”—KCNA headline]

[Text] Pyongyang, March 12 (KCNA)—The report of the Amnesty International scathingly denouncing the harsh human rights violations by “civilian fascists” is a telling blow at Kim Yong-sam the fascist hangman, who is advertising “expansion of human rights,” stresses NODONG SINMUN today.

The news analyst says:

The Amnesty International in a report March 9 on the lapse of one year since the traitor Kim Yong-sam’s inauguration said that although he promised “democratization” under the “civilian” veil, “new tortures and harsh practices” have appeared in South Korea. The Kim Yong-sam government has hardly done anything to put an end to human rights violations, added the report.

When hanging up the signboard of “civilian government,” the traitor Kim Yong-sam waxed eloquent about “liquidation of the leftovers of the past” and “expansion of human rights.” The last year, however, has witnessed nothing but murderous strong-arm politics and terror politics in South Korea.

The Kim Yong-sam group relies on the one-party dictatorship of the military fascist "Democratic Liberal Party." And such fascist repressive machines as "Security Planning Board" and "Secret Affairs Command," which should have been thrown into the dustbin of history, along with the dictatorship of the "Fifth and Sixth Republics," still stay alive and active in human rights violations, invoking the "National Security Law" that should have been scrapped. This is the stark reality of South Korea.

To expect democratic politics and guarantee of human rights from the traitor Kim Yong-sam is as foolish as hoping to see a wolf give birth to a lamb.

Nevertheless, the South Korean puppets at a recent meeting of the UN commission on human rights made a tirade about "expansion of human rights" and "progress in democratization" in South Korea and even took issue with someone's "human rights problem." This was the height of shamelessness and a mockery of the meeting and its participants.

Only after the ouster of the "government" of the traitor Kim Yong-sam, can true democratic politics and human rights be expected in South Korea.

Alliance of 'Patriotic Forces' in South Urged

*SK1103153994 Pyongyang KCNA in English 1521
GMT 11 Mar 94*

[Text] Pyongyang, March 11 (KCNA)—The South Korean people of all strata who truly want independence, democracy, peace and reunification must unite with each other, irrespective of ideology, political view, religious belief and property status, transcending their party interests and strategies, and their genealogy and affiliation, to fight the colonial fascist forces, the common target of struggle, stresses NODONG SINMUN in a by-lined article today.

The cause of independence and democracy in South Korea and national reunification is a showdown between the national forces for independence and the aggressive forces and between the patriotic forces for reunification and democracy and the fascist forces for division and it requires the unity of all the champions of independence, democracy and reunification, the paper says, and goes on:

There is no reason that the forces for independence, democracy and reunification cannot achieve [word indistinct] Korea. Workers, peasants, students, intellectuals, urban dwellers, national capitalists and many other people are suffering under the colonial fascist rule in South Korea. The people, except the narrow privileged circles, cannot defend their vital interests unless the colonial fascist rule is liquidated. This is an objective condition under which South Korean people of various social strata can closely unite with each other under the slogan of independence, democracy and reunification.

All the South Korean forces for independence, democracy and reunification oppose the colonial fascist rule and hope for the establishment of an independent, democratic government.

It is a lawful demand in accomplishing the cause of independence, democracy and reunification that the South Korean people launch an all-people common struggle, irrespective of their isms and principles and their party, political and religious groupings.

It is important in developing the mass struggle for independence, democracy and reunification to strengthen the political struggle of the workers and peasants, while closely combining it with the students' movement for political freedom and democracy and waging a common struggle with all other classes and circles interested in it.

The South Korean patriotic forces for independence, democracy and reunification must, for the present, vigorously wage a massive common struggle to put an end to the domination, interference and pressure by outside forces and smash the treacheries, suppression, nonfrontationist [word as received] and divisive moves of the "civilian" fascist forces and head for the formation of a united front.

This is the way of rejecting the domination and interference by outside forces, destroying the fascist dictatorial forces and winning independence, democracy and reunification.

The South Korean people's righteous struggle for the three goals will surely emerge victorious.

People of South Give Gifts to Kim Chong-il

*SK1203103094 Pyongyang KCNA in English 1009
GMT 12 Mar 94*

[Text] Pyongyang, March 12 (KCNA)—South Korean people have presented gifts to dear Comrade Kim Chong-il carrying their will to follow him and hold him in high esteem as the leader of the nation and the lodestar of reunification.

A South Korean woman prepared a gem embroidery "The old home at Mt. Paektu secret camp" with utmost care. The embroidery shows the native home of Comrade Kim Chong-il and Chong-il peak and two bunches of flowers with 94,216 strung beads of 17 colors.

The gift reflects the pure heart of the South Korean people to follow Comrade Kim Chong-il and hold him in high esteem and the wishes of the fellow countrymen determined to cherish the historical day of his birth for ever and celebrate the anniversary.

Among the gifts are a gem embroidery with Mt. Paektu, the emblem of the Workers' Party of Korea and the red sun represented with 216,000 beads and beside them letters calling for upholding the revolutionary idea of Comrade Kim Chong-il, and a bronze plum tree symbolizing the ardent aspiration and will of the fellow countrymen to follow him and the immortality of the chuche idea.

They also include a gift depicting a peach tree laden with fruits which was made from natural gem stones of various colors, symbolizing the socialist system of the Northern half of the country which has turned into "a peach orchard behind misty hills" under the leadership of Comrade Kim

Chong-il, and a wooden carving of Mt. Paektu with a poem dedicated to him, reflecting the sincere wishes of the South Korean people for good health and long life to him, and other carvings.

GFTUK Urges South Workers To Demand Pay Hike

*SK1203222894 Pyongyang KCNA in English 1518
GMT 12 Mar 94*

[Text] Pyongyang, March 12 (KCNA)—The Central Committee of the General Federation of Trade Unions of Korea [GFTUK] issued an appeal to the South Korean workers today concerning the existence of the workers which is now in a grave crisis due to the South Korean authorities' anti-popular labour policy and wage-curbing move.

The appeal charges that the Kim Yong-sam regime has been brandishing the sword of fascist dictatorship against the workers, branding their just struggle for the right to live and democracy as "collective egoism".

It says:

Imposing "sharing of hardships" upon the working masses, the traitor Kim Yong-sam, puppet, cut the yearly wage hike rate at below 3 percent and is making no scruples of fascist crackdown on the labor movement by invoking even the ill-named "emergency arbitration power" of the period of "Yusin" dictatorship to curb the struggle for a higher pay.

He has lifted to more than 3,000 million dollars, the largest ever, the burden share for the maintenance of the U.S. occupation forces in South Korea and increased the military spendings for the first year of his office to more than 10,000,000 million won, or up 9.6 percent from the previous year, while suppressing the workers' just demand for a higher pay at the point of the bayonet.

The appropriations of the puppet government's "budget" for the so-called "welfare of the working people" account for a meager one 300th of the military expenditures.

The miserable living conditions of the labouring masses including workers cannot be improved, nor can the outrageous deeds of the employers be removed as long as such dastardly traitor, dirty turncoat and disgusting political prostitute Kim Yong-sam the traitor is left in power in South Korea.

The traitor Kim Yong-sam, a trickster as cunning and shameful as an old fox is now is preaching "compromise" on one hand and trying on the other to weaken your strength through ruthless suppression and "ameriolation".

There should be no compromise with the clique of traitors. No compromise, no hesitation, no submission is the way for you to win in the struggle for a higher pay and the right to live.

The enemy pouncing upon you with a dagger between his clenched teeth must be fought back with a dagger.

South Korean workers!

The season of struggle has come.

Rise daringly in the springtime struggle for a wage hike excel.

Your demand will not be met through petitioning or negotiations.

Kindle a fiercer flame of struggle to wreak the pentup rancour of the forerunners who fell in struggle and to save the people from distress! Rise up like mountains and demonstrate the strong mettle of the working class!

You workers in South Korea must develop your struggle for wage hike into an anti-U.S. struggle for independence and an anti-fascist struggle for democracy if you are to lead a life worthy of human being in a genuinely independent and peaceful world.

Fight it out to bring down a stern sledge hammer on the head of the Kim Yong-sam clique of traitors and establish a true independent democratic regime in South Korea!

Daily Comments on Remarks by Japan's Hata

*SK1403050994 Pyongyang KCNA in English 0452
GMT 14 Mar 94*

[“Where Does Japan Lead Situation”—KCNA headline]

[Text] Pyongyang, March 14 (KCNA)—Japanese Foreign Minister Tsutomu Hata recently prattled that “if North Korea refuses again to accept inspection or takes an irresolute attitude or uses the nuclear card strangely, Japan would sternly counter with it within the scope of the constitution”, clamouring that the “DPRK is going to make nuclear weapons and it is suspected of having one or two nuclear bombs.”

The remarks of the Japanese foreign minister are virtually tantamount to an official declaration that Japan will openly step up nuclear armament, a NODONG SINMUN analyst today says, and goes on:

We cannot but take a particularly serious view of this. Though the Korean peninsula is denuclearized, it will be useless and will not guarantee peace and security in this region, Japan's nuclear armament posing an actual danger. Hence, we have felt that the North-South joint declaration on denuclearization might be of no use, unless Japan's attempt at nuclear armament is checked. And this feeling grows stronger as the Japanese authorities take issue with our “nuclear issue” more blatantly in a bid to justify its nuclear armament. This makes us doubt whether the North-South joint declaration on denuclearisation is needed.

Judging from all this, we may find ourselves compelled to reconsider our stand toward denuclearization on the Korean peninsula. In case of this, the situation will develop to an unpredictable phase and it will not be good to the United States and South Korea, either. The Japanese authorities should entirely be to blame for this.

The Japanese authorities must act with discretion, deeply pondering over the grave consequences of their utterances.

Japan Urged To Codify 'Non-Nuclear Principles'

*SK1203051294 Pyongyang KCNA in English 0459
GMT 12 Mar 94*

[“Japan Must Codify ‘Three Non-Nuclear Principles’ and Faithfully Observe Them, NODONG SINMUN”—KCNA headline]

[Text] Pyongyang, March 12 (KCNA)—If it is true that Japan does not pursue nuclear armament, it must codify the “three non-nuclear principles” and faithfully observe them, give up the projected stockpile of excessive plutonium and clearly declare its will for denuclearization, urges NODONG SINMUN today.

Japanese Foreign Minister Tsutomu Hata in his address at the Diet some time ago described foreign press reports about Japan’s pursuit of nuclear armament as “groundless,” saying that Japan has “three non-nuclear principles” banning the manufacture, possession and introduction of nuclear weapons. And Morihiro Hosokawa stated that Japan would keep to the “three non-nuclear principles.”

The news analyst of the paper dismisses their assertions as verbal pyrotechnics to get out of the tight corner in which Japan faces worldwide criticism as a nuclear culprit.

The commentary says:

As for the “three non-nuclear principles” which the Japanese Government uses as an evidence for its “nuclear uprightness,” they are nominal as they are not codified and specify no penalty on their violations.

Never have the “three non-nuclear principles” been observed since they were laid down by the Japanese Government in the 1960s.

U.S. warships and planes loaded with nuclear weapons frequent Japanese sea ports and airports, as if they were their own. Japan, however, has never inspected them, nor has the conversion of the Japanese territory into a nuclear base of the United States been raised as a problem.

The “three non-nuclear principles” are used today as a smokescreen to conceal Japan’s nuclear armament.

The Japanese Government is putting up the signboard of “three non-nuclear principles” in an effort to relieve the Japanese people of their concern over nuclear armament at home and make Japan appear a “non-nuclear peace state” externally.

Behind the curtain of these “principles” Japan is stockpiling a colossal amount of plutonium to rank itself among the nuclear powers. It has finished preparations for the manufacture of nuclear weapons and developed by itself and launched a space rocket capable of carrying nuclear warheads.

Japan plans to dispatch its Armed Forces to wide areas of the world and is accelerating its nuclear armament and its conversion into a military power to realise its dominationist ambition with strength.

If the Japanese authorities resort to double-dealing tactics, letting out a string of poor excuses, they will face a bitterer criticism from the world people.

Japanese Involvement in Nuclear Issue Denounced

*SK1303083194 Pyongyang KCNA in English 0824
GMT 13 Mar 94*

[“Foolish Attempt”—KCNA headline]

[Text] Pyongyang, March 13 (KCNA)—It is a folly of the Japanese reactionaries to try to frustrate the third-round DPRK-USA talks when the day of its opening is drawing near, says MINJU CHOSON in a commentary today.

The analyst notes:

When the agreed conclusions reached at the DPRK-U.S. contact in New York was published the high-placed authorities of Japan made quite a noise as if the United States had made a big mistake, trying to attain their sinister purpose by poking their noses into the “nuclear problem” of the DPRK.

Blaring that the “pressure for the inspection” of the military sites of the North of Korea “would increase”, Japanese Foreign Minister Tsutomu Hata a few days ago urged us to take “a measure to dispel the suspicion of nuclear weapon development”.

A ranking official of the Japanese Foreign Ministry said with malice that “a mistake in the North Korean problem will entail an irretrievable consequence.”

The Japanese reactionaries are also spreading through subsidized media the warning that if Japan cannot take a joint step with the United States in the “nuclear problem”, the Japan-U.S. relations which show a lift with the collapse of economic negotiation will greet a more serious phase.

Judging from the words and deeds of the Japanese reactionaries, they are craftily and viciously trying to deeply interfere in the “nuclear issue” of the DPRK by putting pressure on the United States, capitalizing on the “Japan-U.S. alliance” and the complex Japan-U.S. trade relations and break up the DPRK-U.S. talks.

Japan has no ground or justification to meddle in the “nuclear issue” of the North of Korea. The Japanese authorities are kicking up an untimely row over it. This reveals their dark intention to justify their own nuclear armament.

The Japanese authorities should not interfere in other’s affairs, forgetful of their position, but give up their own reactionary scheme of nuclear armament.

Japan’s Nuclear Armament Condemned Abroad

*SK1203102994 Pyongyang KCNA in English 1001
GMT 12 Mar 94*

[Text] Pyongyang, March 12 (KCNA)—Statements and an article denouncing Japan’s nuclear armament were published in different countries recently.

The Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea in a recent statement said Japan has stockpiled a large amount of plutonium and completed technological preparations to make nuclear weapons any time.

The statement warned that if Japan continued on the road of nuclear armament, it would invite curses and condemnations from the world people.

The Yugoslav paper BORBA said although Japan laid down the "Three non-nuclear principles" banning the production, possession and introduction of nuclear weapons, it has been covertly ignoring the principles recently.

Alejandro Solorzano, chairman of the Foreign Affairs Committee of the National Assembly of Nicaragua, in a statement on March 3 said it is a big obstacle to the denuclearization of the Korean peninsula that Japan is hastening its nuclear armament despite strong protests and denunciation by the world's progressive people.

He stressed that the total elimination of nuclear weapons and a halt to their development should be realized worldwide and that Japan should discard its dream of becoming a nuclear power.

Tokyo Meeting Marks Film Studio's Birthday

SK1203044094 Pyongyang KCNA in English 0424 GMT 12 Mar 94

[Text] Tokyo, March 10 [dateline as received] (KNS-KCNA)—A meeting took place at the Korean Hall in Tokyo on March 9 to commemorate the 20th founding anniversary of the film studio of the General Association of Korean Residents in Japan (Chongnyon).

A decree of the DPRK Central People's Committee on awarding order of national flag first class to the Chongnyon film studio was read out and then congratulatory messages from organizations in the homeland conveyed.

In his congratulatory speech Ho Chong-man, chief vice-chairman of the Chongnyon Central Standing Committee, said the 20-year history of the Chongnyon film studio is unthinkable apart from the loving care and solicitude of the great leader Generalissimo Kim Il-song and the dear leader Marshal Kim Chong-il. He recalled their wise guidance to the manufacture and dissemination of film and video recordings of Chongnyon.

The Chongnyon film studio could develop into a reliable film and video recordings producer and disseminator of Chongnyon and register proud successes under the loving care of the great leader and the dear leader, he stressed.

He said the workers of the studio should honorably discharge their duty and role as a worthwhile propagandist and educator of the chuche era, as a recorder of history.

A letter to Marshal Kim Chong-il was adopted at the meeting.

Ambassador to Russia on Japan's Nuclear Armament

SK1403095994 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 13 Mar 94

[Text] Son Song-pil, our country's ambassador to Russia, held a news conference with reporters in Moscow on 9 March in connection with the nuclear issue of the Korean peninsula. In the conference, the ambassador briefed the content of a statement by Kang Sok-chu, first vice foreign minister, to reporters and said: Our country and the United States agreed to take a joint action for a solution to the nuclear issue in New York on 25 February. According to the agreement the International Atomic Energy Agency's inspection has started, beginning on 1 March, a working-level contact for the exchange of special envoys between the North and the South has resumed, and a statement was announced regarding the suspension of the Team Spirit joint military exercise.

It is good thing that the agreement was reached on the joint action and that the work for their realization has begun. However, the measures taken for the joint action are still on a primary level [kichojok] and are nothing but a beginning. The problem we have now is how to implement the agreement.

If the measures for the joint action are properly implemented the DPRK-U.S. talks will be able to proceed smoothly and the nuclear issue of the Korean peninsula will be able to be resolved completely [kunwonjokuro]. The problem is that barriers [nangwan] should not be created by putting forth conditions. If barriers are created the situation will become grave again.

We want the United States not to create obstacles to the implementation of the agreement any longer. The people in the world, as well, hope that the agreement reached between the DPRK and the United States is implemented as it is and that, accordingly, the nuclear issue of the Korean peninsula is resolved peacefully.

However, acts are emerging now which arouse suspicions in implementing the DPRK-U.S. agreement on the measures for the joint action. In particular, Japan, not satisfied with the agreement between the DPRK and the United States, is kicking off a commotion, babbling that a special inspection should be conducted and the like. Japan is trying to hinder a solution to the nuclear issue of the Korean peninsula and, thus, is aiming at justifying its nuclear armament. Japan has stockpiled large quantities of plutonium and completed the means of delivery of nuclear weapons.

Now that Japan's nuclear armament has reached a very dangerous stage we cannot but enhance our alertness to this. It is because if Japan is armed with nuclear weapons the denuclearization of Northeast Asia cannot be realized nor will the declaration of denuclearization of the Korean peninsula be meaningful. Therefore, to achieve the overall denuclearization of the Korean peninsula and the Northeast Asian region, Japan's nuclear armament must be thoroughly blocked.

Whether or not the agreement on the measures for the joint action is faithfully implemented depends entirely on the U.S. side. We will keenly watch the U.S. side's actions. If the U.S. side fails to implement the agreement with unwarranted pretexts we will take corresponding counter-measures against it.

The ambassador also revealed the South Korean authorities' crime of destroying the ecological environment and doing harm to people's health by dumping nuclear waste on sea. He then answered questions raised by reporters.

Koreans in PRC Denounce Plans for Sakhalin Loggers
SK1203050694 Pyongyang KCNA in English 0429
GMT 12 Mar 94

[Text] Pyongyang, March 12 (KCNA)—The Central South District Association of the headquarters of Koreans in China of the National Alliance for the Country's Reunification (Pomminnyon) in a statement February 28 denounced the treacherous scheme of the South Korean authorities to take Koreans residing in Sakhalin region, Russia, to South Korea by deceiving and alluring them in conspiracy with the Japanese Government.

The statement points out that this is not a mere humanitarian matter but a serious political problem of the Korean nation and compatriots and, at the same time, an international human right issue. It says the South Korean treacherous clique are committing a crime by violating the dignity and interests of the nation and human rights, hand in glove with the Japanese Government, though it has yet to make apology and compensation.

The statement points out that the South Korean authorities, under the mask of "humanitarianism," are trying to lay their foothold against the Democratic People's Republic of Korea in the Far East of Russia, sow the seed of dissension within the nation and foster confrontation, and thus perpetuate the division of the country.

The statement demands that the South Korean authorities promptly renounce the treacherous scheme and the Japanese authorities think first of their compensation to the Koreans overseas and no more do act obstructive to the reunification of Korea.

Greetings to Kim Chong-il Adopted in Nepal
SK1203102294 Pyongyang KCNA in English 1005
GMT 12 Mar 94

[Text] Pyongyang, March 12 (KCNA)—A message of greetings to the dear leader Comrade Kim Chong-il was adopted at a Nepalese national seminar on the *chuche* idea which was held in Kathmandu on the occasion of his birthday.

Noting that the seminar discussed the *chuche* idea and the development of the *chuche* cause, the message says:

The triumphant advance of the Korean revolution shows the immortal revolutionary nature of the *chuche* idea.

The *chuche* idea serves the peoples fighting for freedom as a powerful weapon indicating the correct path of the revolution and construction.

The victorious advance and miraculous successes made by the Korean people under the wise guidance of your excellency give great inspiration to the peoples of Asia, Africa and Latin America who are fighting for the building of a free, new society and against imperialism, colonialism and neo-colonialism.

In the message the participants in the seminar said they would do all they could in full support of the Korean people's struggle to defend the security and achieve an independent and peaceful reunification of the country.

The message wishes Comrade Kim Chong-il good health and long life.

KCNA Reports Foreign Parties Praise WPK
SK1203222794 Pyongyang KCNA in English 1509
GMT 12 Mar 94

[Text] Pyongyang, March 12 (KCNA)—Progressive parties and revolutionaries of the world praised the Workers' Party of Korea [WPK] as the most experienced and tested party, the greatest strong party.

Victor Voichita, chairman of the Romanian Party of New Society, said that the Workers' Party of Korea is known to the world as an ever victorious steel-like party with iron will and tested leadership ability and a revolutionary party which enjoys absolute support and trust of the people.

The revolutionary parties of the world should learn from the achievements and experiences of the WPK, he said, and stressed: Only by so doing, they can successfully solve all questions arising in the revolutionary struggle and construction work and can be strengthened and developed into parties of fresh looks which enjoy absolute support of peoples.

Renan Raffo Munoz, general secretary of the Central Committee of the Peruvian Communist Party, said that the WPK is a great revolutionary party most loyal to the socialist idea and that the WPK's line on the construction of socialism and communism is most scientific and revolutionary.

Jose Fanequico, an official of the Central Committee of the Mozambique Liberation Front Party, said in a statement issued to the press on February 18 under the headline "The Workers' Party of Korea is the greatest and tested party" that the WPK is the centre of the socialist movement and the world revolution. He went on:

The Workers' Party of Korea is a party for people, a singlehearted party.

Thanks to the outstanding and tested leadership of Comrade Kim Chong-il the Workers' Party of Korea has become a strong party.

The revolutionary parties and people of the world are now looking up to the WPK as a banner of struggle and a beacon of hope.

The Workers' Party of Korea, the greatest, tested and experienced, is only able to lead the struggle for global independence and save the destiny of mankind.

The Workers' Party of Korea will be eternal and immortal with the august name of the dear leader Comrade Kim Chong-il.

The world revolution will grow stronger under the banner of the chuche idea and achieve a final victory without fail.

Counsellor of the Central Committee of the People's Democratic Rally of Cameroon Oyono Dieudonne and Secretary of the Executive Committee of the African Party for the Solidarity and Justice of Mali Issaka Bagayogo said that the experience of the Workers' Party of Korea in the revolutionary party building and socialist construction are very precious and a model to all communist and workers' parties and progressive parties and people of the world.

Reunification Supporters in Cuba Hold Meeting

SK1103152494 Pyongyang KCNA in English 1505 GMT 11 Mar 94

[Text] Pyongyang, March 11 (KCNA)—An annual meeting of the Cuban Committee for Supporting Korea's Reunification was held in Havana Cuba, on March 1.

The annual meeting reviewed the work of the committee last year and discussed tasks of this year.

Chairman Jesus Montane Oropesa in his speech said that last year the U.S. imperialists and the international reactionaries viciously schemed to stifle Korea and Cuba which are defending socialism, but the two parties, governments and peoples achieved great victories by firmly uniting to smash the enemy's moves at every step.

The great leader comrade President Kim Il-song received the outgoing Cuban Ambassador to the DPRK Juan Jose Leon Vega, and gave him precious teachings and showed deep solicitude, he said, and pointed out: This is an expression of deep trust and love for the party, the government and the people of Cuba.

The friendly and cooperative relations between the two countries are developing on the basis of the special intimacy between the great leader comrade President Kim Il-song and Supreme Commander Comrade Fidel Castro Ruz, he noted, and stressed: The Cuban people would extend invariable support and solidarity to the Korean people in their efforts for the reunification of the country.

Spanish, Peruvian Parties Support DPRK Position

SK1203222594 Pyongyang KCNA in English 1502 GMT 12 Mar 94

[Text] Pyongyang, March 12 (KCNA)—A resolution on the situation of the Korean peninsula was adopted at the

recent 5th plenary meeting of the Central Committee of the Communist Party of the Peoples of Spain.

The resolution said serious apprehensions have been roused worldwide as the United States, Japan, South Korea and some other quarters created a grave situation on the Korean peninsula on the pretext of the "North" nuclear problem".

It expressed support to the DPRK's position on the denuclearization of the Korean peninsula and dialogue, saying they affirm their solidarity for the DPRK's policy of peaceful reunification.

The National Executive Committee of the Mariateguista United Party of Peru adopted a resolution on the Korean question on March 1. The resolution said the "10-point programme of the great unity of the whole nation for the reunification of the country" is a significant, highly important guideline for the reunification of the country.

Noting that it is the aspiration of the international community and the world people to eliminate all the nuclear weapons and realize the denuclearization of the whole world including the Korean peninsula, it called upon the United States to promote DPRK-USA talks for a fair solution of the nuclear issue on the Korean peninsula.

Korea-Jamaica Friendship Association Inaugurated

SK1103153594 Pyongyang KCNA in English 1522 GMT 11 Mar 94

[Text] Pyongyang, March 11 (KCNA)—An inaugural meeting of the Korea-Jamaica Friendship Association was held in Pyongyang on March 10.

The leading body of the association was elected and its statute adopted at the meeting.

Kim Chin-pom, vice-chairman of the Committee for Cultural Relations with Foreign Countries, was elected chairman of the association.

Meetings Held in Support of Kim Il-song Letter

SK1203044694 Pyongyang KCNA in English 0433 GMT 12 Mar 94

["Working People Resolved To Turn Out for Final Solution of Rural Question"—KCNA headline]

[Text] Pyongyang, March 12 (KCNA)—Mass meetings were held in the provinces and municipalities to thoroughly implement the tasks put forward by the great leader President Kim Il-song in his letter to the national agricultural conference "for the ultimate solution of the rural question under the banner of the socialist rural theses".

Reports were made by the chief secretaries of the provincial and municipal committees of the Workers' Party of Korea who are concurrently chairmen of the people's committees, to be followed by speeches.

The reporters and speakers stressed that the historic letter of President Kim Il-song to the national agricultural conference is a programmatic guideline clearly indicating the road of consolidating Korean-style socialism, powerfully demonstrating its force and finally solving the socialist rural question.

They said all the agricultural working people should be prepared more firmly in ideology and morality and in technique and culture as required by socialism through the development of the ideological and cultural revolutions in depth.

They stressed the need to steadily raise the level of the industrialization and modernization of agriculture by expanding the achievements in the rural technical revolution and successfully carry out the work of converting cooperative property into all-people property.

Letters of pledge were adopted at the meetings.

Kim Chong-il Thanks Tram, Subway Work Units

*SK1203043994 Pyongyang KCNA in English 0420
GMT 12 Mar 94*

[Text] Pyongyang, March 12 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to different units which had contributed to the production of new-type tram cars and subway cars. Among them are the rolling stock designing office under the Ministry of Railways, the Sungri General Motor Works, the Taean Heavy Machine Complex, the Nampo Smelting Complex and the Mangyongdae Machinetool Factory.

They had supplied various parts and materials for the production of tram cars and subway cars by solving many scientific and technological problems.

At the thanks-conveying ceremonies, speakers vowed to ensure the quality of tram cars and subway cars on a high level so as to provide more convenient and cultured traffic conditions for the population.

Daily on Accomplishment of Socialist Cause

*SK1203103394 Pyongyang KCNA in English 1024
GMT 12 Mar 94*

[Text] Pyongyang, march 12 (KCNA)—Infinite loyalty to the illustrious leader definitely guarantees the continuity and accomplishment of the socialist cause, says MINJU CHOSON in a by-lined article today. The issue of succession to the leadership was successfully resolved a long time ago in our country when our people acclaimed dear Comrade Kim Chong-il as their illustrious leader, the article says, and goes on:

The dear leader Comrade Kim Chong-il, basing himself on his deep study of the fundamental principles and quintessence of the *chuche* idea founded by the great leader Comrade Kim Il-song, formulated the guiding idea of the Workers' Party of Korea as an integral system of the idea, theory and method of *chuche*. He has enriched and comprehensively developed in depth the *chuche* idea with new

fundamentals and contents as required by the present time and the developing revolution. And he has developed it to be the revolutionary idea of the popular masses both in name and in reality.

Thanks to the energetic ideological and theoretical activities of the dear leader, the treasurehouse of the *chuche* idea has been further developed and enriched and this idea has become the only correct guiding idea of the era of independence. And the people have made all their efforts to accomplish the cause of socialism with the faith and belief that when they are guided by the *chuche* idea, they will be able to complete the cause of independence.

The dear leader has raised it as the main point to strengthen the party and enhance its leadership role in the whole course of leading the cause of socialism, put forward a policy of party building for modelling the whole party on the *chuche* idea and directed the efforts for its thorough implementation.

He has set forth outstanding strategies and tactics and proper slogans in each period of our developing revolution and vigorously encouraged our people to carry out the party's line and policies and bring about world-startling miracles and innovations one after another in socialist economic and cultural construction.

Under his energetic guidance, our country has become a powerful socialist country with political independence and a mighty independent national economy and self-defence military power.

The dear leader has shaped magnanimous politics embracing all our people to achieve singlehearted unity of the society in which the entire people are united closely around the leader in the same thought and purpose and on the basis of morality and faithfulness.

His boundless love for and trust in our people have made them remain loyal and devoted to the party and the leader and fully display the beautiful communist traits throughout the country.

All our people are now striving hard for the accomplishment of the socialist cause, closely united around the dear leader, with the unshakable revolutionary faith that they will surely emerge victorious as they are guided by him.

Local Trade Exports Up 50 Percent From 1993

*SK1403112394 Pyongyang KCNA in English 1022
GMT 14 Mar 94*

[Text] Pyongyang, March 14 (KCNA)—Production is on a rise in the local trade domains of Korea.

According to data available, this year the local trade exports was up 50 percent from the same period last year.

In this period Nampo Municipality increased exports 2.9 times via multi-faceted, diversified trade.

South Pyongan Province has built more export goods production bases and expanded the variety of export

goods, increasing exports in February five times compared with the same period last year.

North and South Hamkyong, Chagang and North Hwanghae Provinces, Kaesong Municipality and others have overfulfilled their monthly quotas by keeping the production of export goods on a normal basis and expanding exports by various methods such as processing trade, joint venture and collaboration.

Increase in Electric Power Production Reported

SK1103153794 Pyongyang KCNA in English 1512 GMT 11 Mar 94

[Text] Pyongyang, March 11 (KCNA)—The production of electric power is on the growth in the Democratic People's Republic of Korea.

According to data available at the State Commission of the Electric Power Industry, the power producers have increased the average daily load factor of electric power 2.6 percent above the same period last [word indistinct].

On March 17 general hydroelectric power enterprise topped its February target 3.2 percent and is going beyond its daily quotas this month more than 10 percent.

The Changjagang power station is producing 9,000 to 10,000 kwh outside the daily assignments through an effective control of water and equipment and technical control.

The Hochongang and Pujongang power stations are keeping production at a high level by actively introducing the operation method of high water level and high efficiency.

The Pukchang thermal power complex and the east Pyongyang thermal power plant have increased the load factor of each generator 3.8 and 4.1 percent above the same time of last month by effectively controlling the boilers and raising the combustion rate to boost production.

Increase in Chemical Fertilizer Output Noted

SK1203103294 Pyongyang KCNA in English 1015 GMT 12 Mar 94

[Text] Pyongyang, March 12 (KCNA)—Chemical fertilizer producers of Korea are effecting an upswing in production.

Daily output of chemical fertilizers this month has increased by several hundred tons as compared with the previous month at the Hungnam fertilizer complex, a leading chemical fertilizer producer of the country.

The Namhung youth chemical complex boosted the production of chemical fertilizers in the last fortnight 30 percent up on the like period last year, and the Sinhung chemical complex is these days producing daily a larger quantity of good-quality slag fertilizer than planned.

Phosphate fertilizer producers in different parts of the country in the first ten days of this month increased the

output of phosphate headings 61 percent and that of phosphate fertilizer 45.8 percent up on the corresponding period last year.

Research To Improve Medical Technology Noted

SK1103152694 Pyongyang KCNA in English 1501 GMT 11 Mar 94

[Text] Pyongyang, March 11 (KCNA)—New technology researches to improve medical services are brisk among the medical workers of Korea. During the past one year, many inventions and rationalization proposals have been produced in the prophylactic and therapeutic organs in Pyongyang. More than [word indistinct] of them have been introduced into clinics.

One of the noteworthy successes is the separation and culture of pylorus spirillum, a main causer of gastric and [word indistinct] ulcers, and the development of a new Koryo medicine of big effect in treating them.

New technologies introduced in the treatment of liver [word indistinct] hypertension portails and acute pneumonia and a special method of suture for preventing suppuration in operation are also effective in clinical practice.

Soft cupping and water-eczema and massage appliances also have won the favor of the patients.

Medical workers, while giving preventive and curative assistance to working people, write many valuable medical treatises. They total ten and several thousand annually nationwide.

Scientific symposiums on the researches of medical workers are regularly held.

The active efforts of the medical workers reliably guarantee the health of the working people.

South Korea

North-South Working Contact Held 12 Mar

Delegates Chat Prior to Contact

SK1303063894 Seoul CHUNGANG ILBO in Korean 12 Mar 94 p 5

[By reporter An Song-kyu from Panmunjom]

[Text] Before holding the closed-door meeting of the sixth South-North working-level contact on the morning of 12 March, delegates from the South and North expressed a strong will for the success of the talks.

Pak Yong-su, head of the North side's delegate, said: "Recently, when I met Koreans residing in the United States who were visiting North Korea, they said that prospects for the realization of the exchange of special envoys of the South and North was not that bright. They also said, however, that we should not be so pessimistic about this matter."

Pak Yong-su continued: "Since I am determined to open a breakthrough in today's contact, I came here with the determination to reach an agreement."

In this connection, Song Yong-tae, the South side's senior delegate, said: "In a news conference after the fifth South-North contact on 9 March, I said that the sixth round of contacts will mark a turning point in the success or failure of the contact." He also proposed: "Even though today is a Saturday, if we do not reach an agreement in the morning, let us extend the contact into the afternoon so that we can come to a conclusion."

The North Korean head delegate Pak Yong-su said: "When viewing the profound secrets of nature this year—the 49th anniversary of the 'division'—we are experiencing a rare phenomena with such a heavy snowfall yesterday. In particular, a double rainbow appeared at the summit of Chongil peak at Mt Paektu in mid-February. Our people view this as a sign of extremely good luck for our nation. We even made a song entitled, 'Reunification Rainbow.' This has become one of the most popular songs."

In this connection Song Yong-tae responded by saying: "The slogans and songs on reunification are important, but what is more important is for us to create practical conditions for reunification."

The North Korean reporters who entered the House of Peace at around 0940 for the contact said: "It seems that today, some kind of important result will be achieved." They expressed deep interest in the purpose and schedule of U.S. Assistant Secretary of State Gallucci's visit to South Korea.

The North Korean reporters asked to the last detail and took notes of the purpose and schedule of Gallucci's visit to South Korea. When they heard that it was decided between the ROK and the United States that the third round of DPRK-U.S. high-level talks will be postponed if the exchange of special envoys does not take place before 21 March, they showed a somewhat sensitive response by saying that it is a violation of the agreement reached between North Korea and the United States.

The delegates of the South-North contact waged a light verbal battle on whether to hold the contact openly.

The North Korean head delegate Pak Yong-su said: "People of the whole nation as well as reporters here have great expectations in today's contact. How about holding the contact openly?"

In this connection, the South Korean senior delegate Song Yong-tae insisted on holding the contact behind closed doors by saying: "Is there a special reason for holding the contact openly?"

The North Korean head delegate said: "There is no special reason so let us follow your opinion and hold the contact behind closed doors." Thus, the contact started behind closed doors at 1015.

Radio Reports Contact in Panmunjom

SK1203030194 Seoul KBS-1 Radio Network in Korean
0200 GMT 12 Mar 94

[By Kim Chong-chin from Panmunjom]

[Text] This morning, North and South Korea held their working-level contact for the exchange of special envoys between the North and South at the House of Peace, in our side of Panmunjom. They are now discussing the procedure for the exchange of special envoys.

At today's contact, our side stressed that this year's Team Spirit exercise will be suspended, and that the third round of North Korean-U.S. high-level talks will proceed smoothly only if the exchange of special envoys is held.

Our side stated that it would flexibly accept North Korea's proposal on procedural matters if North Korea cancels its four demands, including the cancellation of President Kim Yong-sam's remarks regarding the nuclear issue that North Korea is demanding.

In his first remarks, Song Yong-tae, our side's senior delegate, said: It is regretful that despite the principled agreement between the two sides regarding the exchange of special envoys, the practical discussions have not proceeded because of the North side's demands that have nothing to do with the contact. He urged the North side to immediately comply with the discussions of the procedural issues without delaying the exchange of special envoys under the pretext of unjust demands.

Senior delegate Song Yong-tae pointed out that two of North Korea's demands—including the issue of promoting the great unity of the whole nation proposed by the North side as an agenda item for the exchange of special envoys during the fifth North-South working-level contact—will be met when the Nuclear Control Joint Committee begins operating and when the North-South agreement is carried out. Also, he urged the North side to accept the South side's proposal indicating that the North side's special envoy should first visit the South, that the envoy should stay for four nights and five days, and the exchange of special envoys should be made within 10 days after the signing of the agreement.

DPRK Delegate's Remarks Cited

SK1203063694 Seoul CHUNGANG ILBO in Korean
12 Mar 94 p 1

[By An Song-kyu from Panmunjom]

[Text] On the morning of 12 March, the North held its sixth working-level contact with the South at the House of Peace in the South side's area of Panmunjom to discuss issues such as the actual procedures for the exchange of special envoys.

At today's contact, the South side stressed that this year's Team Spirit exercise will be suspended, and that the third round of North Korean-U.S. high-level talks will proceed smoothly only if the exchange of special envoys is held. In

relation to the actual procedures, the South side revealed it would be willing to consider flexibly accepting North Korea's proposal on amendments to the agreement on exchanging special envoys if the North side renounces its four demands that include President Kim Yong-sam taking back his remarks regarding the North Korean nuclear issue.

While repeatedly demanding that "the South side must express its position, in any form, regarding the North side's four demands," Pak Yong-su, the North side's chief delegate, receded slightly from his previous position by saying that he would "take note of the South's indication that the North side's four demands were problematic."

Chief delegate Pak also proposed that they issue a joint communique on the will of both sides "to exchange special envoys" prior to adopting an agreement.

No Agreement on Envoy Exchange

SK1203061594 Seoul YONHAP in English 0607 GMT
12 Mar 94

[Text] Panmunjom, Mar. 12 (YONHAP)—South and North Korean delegates met at the truce village here Saturday to discuss the proposed exchange of special envoys, but failed to reach any substantial agreement. The two sides, however, decided to meet again next Wednesday to carry on with their talks.

An informed source said that at the sixth working-level contact held at peace house in the southern sector of Panmunjom, North Korea eased up somewhat on its four key demands. But the North Koreans issued a fresh demand that the two sides jointly announce an "agreement on the principle of the exchange of special envoys" before discussing procedural matters for the exchange, the source said. The South brushed aside the North Korean proposal as unnecessary.

Stressing that the principle of exchanging special envoys has already been agreed, the South called on the North to begin discussing procedural matters, he said.

With Saturday's failure to agree on the envoy exchange, it has become practically impossible for the two Koreas to exchange special envoys before March 21 when the third round of U.S.-North Korea high-level talks are supposed to take place.

13 Mar Dailies Comment

SK1303133394

[Editorial Report] The following is a compilation of editorials and an article in vernacular Seoul dailies published on 13 March on the result of the sixth North-South contact for the exchange of special envoys.

The moderate HANGUK ILBO in Korean on page 3 carries an 800-word editorial entitled: "We Should Take a Firm Stance Against the North's Shirking." The editorial denounces North Korea for "gesturing as if it hopes to settle the issue for the envoy exchange" and "easing up on its four key demands while not agreeing to the envoy

exchange." The editorial insists, in return, "there should be no more tolerance nor magnanimity toward the North." The editorial calls on the ROK and U.S. Governments to "firmly express their will to put off indefinitely the U.S.-North Korean high-level talks, set for 21 March, and to push ahead with a plan to resume the Team Spirit exercise."

Pointing out that the North issued a fresh demand that the two sides jointly announce an "agreement on the principle of the exchange of special envoys" before discussing procedural matters for the exchange, the editorial reports that "Pyongyang attempts to use this as overseas publicity that it has fulfilled the precondition of 'the envoy exchange,' while neglecting to putting this into practice." The editorial concludes that "even if the North may use the same old trick of placing blame on the South, it is about time for us to inform the North side the South is discontinuing meaningless working-level contacts."

The moderate TONG-A ILBO in Korean on page 3 carries an 800-word editorial entitled "North Korea's True Intent is Imaginable." Terming North Korea's intent of holding working-level contacts with the ROK a "meaningless show" designed to realize the high-level talks with the United States, the editorial questions if working-level contacts are indeed necessary under such circumstances. Making a detailed analysis of North Korea's proposal that Seoul's envoy should visit Pyongyang first around mid-April, the editorial reports "after all, as Kim Il-song's birthday is 15 April, the North intends to reduce the envoy's mission to mere participation in Kim Il-song birthday celebrations and one of a congratulatory delegate."

With the failure to conclude discussions on the envoy exchange, the editorial forecasts chances that the two sides will exchange envoys before 21 March deadline have dimmed, though are not completely dead. Then the editorial calls on the ROK side to "deeply examine the issue on suspending the contacts" to further avoid being ridiculed by Pyongyang and "to manifest clearly to Pyongyang that our side can never accept the envoy exchange through its insincere show or for the purpose of its political celebration." The editorial concludes: "The ROK and U.S. Governments should demonstrate a solid bilateral alliance and their positive interest in inter-Korean contacts."

The moderate KYONGHYANG SINMUN in Korean on page 3 carries an 800-word editorial entitled: "We Should Properly Read the North's True Intent." The editorial deplores that the ROK Government has committed two mistakes from the start of contacts: First, "its failure to commit in writing to the envoy exchange in the North Korean-U.S. agreement"; and second, its failure "to materialize ROK-North Korean-U.S. tripartite talks to discuss the North's nuclear issue and inter-Korean issues." The editorial contends: "This notwithstanding, the government is optimistic about the North-South dialogues without any reason." Stating that the North's basic policy toward unification has not changed a bit, the editorial calls

on the government to "answer Pyongyang with firm principles by reading Pyongyang's true intent and avoid being caught in a trap set by the North."

The left-leaning HANGYORE SINMUN in Korean on page 3 carries a 700-word article by Kang Tae-ho on chances for the simultaneous realization of the envoy exchange and the North Korean-U.S. high-level talks. The article appraises Pyongyang for showing flexibility by its backing down on the four preconditions it had set for the envoy exchange. Quoting the Chief ROK delegate Song Yong-tae's remark that "North Korea has expressed its intention that the four issues can be discussed in the process of exchanging envoys. This can be interpreted as a virtual withdrawal of the four preconditions," the article assesses such a stance of the North as a step forward to the envoy exchange. Calculating each side's loss and gain from the sixth round of contacts, the editorial notes "the North gained the conditional suspension of the Team Spirit whereas the ROK and U.S. sides have attained International Atomic Energy Agency inspection of the North's nuclear facilities." The article concludes: "Based on this, it is possible that the tripartite parties will agree to the envoy exchange simultaneously with the third round of North Korean-U.S. high-level talks."

Foreign Minister, U.S. Envoy Gallucci Meet

SK1203015094 Seoul YONHAP in English 0140 GMT
12 Mar 94

[Text] Seoul, March 12 (YONHAP)—South Korea and the United States will hold updated consultations on the North Korean nuclear situation Saturday to discuss the results of the latest inter-Korean contact on exchanging special envoys. Foreign Minister Han Sung-chu and visiting U.S. Assistant Secretary of State Robert Gallucci will meet for a luncheon conference with their aides that is expected to last about three hours.

Gallucci is said to have put off a scheduled press conference to later in the afternoon to allow for further consultations with South Korean officials following the inter-Korean contact. The inter-Korean contact Saturday is realistically the last opportunity for the two sides to reach agreement on the envoy exchange.

Washington earlier promised high-level talks with Pyongyang on March 21 in Geneva, on condition that the envoys have come and gone between the two Koreas before that date.

Han and Gallucci have two very different scenarios to consider, depending on whether the envoy exchange takes place and the International Atomic Energy Agency (IAEA) inspections in North Korea end successfully. Just in case, officials said they will draw up contingency plans for a new date for the North Korea-U.S. high-level meeting and the talks' agenda.

They will also plan for more stringent action if the IAEA rules that the inspection of North Korean facilities was

unsatisfactory, including resumption of South Korea-U.S. war games and referral of the problem to the U.N. Security Council.

Gallucci 'Hopeful' of 21 Mar Meeting

SK1203091294 Seoul YONHAP in English 0857 GMT
12 Mar 94

[Text] Seoul, March 12 (YONHAP)—Washington remains hopeful that inter-Korean envoy exchange will take place before March 21 so that it can go ahead with high-level talks with Pyongyang, U.S. State Department official said here Saturday.

Despite disappointing results at inter-Korean contact earlier in the day, Assistant Secretary of State Robert Gallucci told a press conference he doesn't "understand the talks as having broken down."

But he was clear that exchange of envoys was the bases to the next high-level talks with North Korea, repeatedly referring to the Feb. 25 "agreed conclusions" with Pyongyang with both Washington and Pyongyang taking simultaneous steps.

Gallucci, chief U.S. negotiator to the high-level negotiations with North Korea, had come to Seoul for consultations on how to counter Pyongyang's nuclear situation.

He refused to speculate on what would happen if North Korea did not meet the demand on inter-Korean envoy swap, saying only Seoul and Washington will "deal with that when that happens."

He repeated U.S. hopes of keeping the promise of the meeting with North Korea, leaning more toward optimism than pessimism.

"I would like to go to Geneva on March 21. I have not given up hope that the exchange (of envoys) will take place," he told reporters.

He foresaw even more difficult negotiations ahead in the next round of high-level dialogue with North Korea where he said the United States "is willing to go beyond the nuclear issue."

"But we do that only if we reach an understanding in other areas and move together in that direction," said Gallucci. These other issues are what the United States "would like the opportunity to talk with (North Korea) about."

On Feb. 25, North Korea and the United States agreed on simultaneous steps that brought Pyongyang's nuclear problem out of immediate crisis.

North Korea agreed to realow International Atomic Energy Agency (IAEA) inspection on its declared facilities and to resume inter-Korean dialogue.

The United States, in return, would cancel this year's annual military exercise "Team Spirit" held jointly with South Korea and hold high-level dialogue with North Korea on March 21 in Geneva.

"We made clear in the days before that understanding that the meeting on 21st of March was agreed on the premise...that there would be exchange of envoys."

While not saying per se that the March 21 meeting will be delayed if the envoy exchange is not implemented by then, Gallucci said the envoys' cross visits were "the bases" to the steps to be taken.

The IAEA inspection team is currently in North Korea and in middle of its activities.

Gallucci admitted that the inspections were not going "perfectly smoothly, that there have been differences."

But like inter-Korean dialogue, "activities are still ongoing," said Gallucci, and the U.S. position is to wait until the activities are concluded in full.

On possibility resuming the Team Spirit this year and mobilizing the troops, the official said "if it became necessary, the forces in the United States and Republic of Korea would be able to accomplish that."

21 Mar Talks Postponed

SK1303023394 Seoul CHOSON ILBO in Korean
13 Mar 94 p 1

[By reporters An Hui-chang and Pak Tu-sik]

[Text] The South-North working-level contact for the exchange of South and North special envoys was held at Panmunjom on 12 March. However, because no agreement was reached, the sides decided to meet again on 16 March. Therefore, it seems certain that the third round of DPRK-U.S. high-level talks slated for 21 March will be postponed.

A high-ranking government official said on 12 March: "Even if complete agreement were reached on 16 March on the exchange of special envoys, it really quite difficult for the exchange of special envoys to take place before 21 March. Because it was decided to hold the third round of DPRK-U.S. talks after the exchange of special envoys, it is certain that the DPRK-U.S. talks slated for 21 March will be postponed."

The official added: "Regarding the content of the 12 March South-North contact, even if the 16 March contact was successful, the exchange of special envoys could not be possible before 26 March, which our side is calling for, or 31 March, which the North Korean side is calling for. It is believed that the United States will hold another New York contact with North Korea to adjust the date for the third round of DPRK-U.S. high-level talks to after the exchange of South-North special envoys takes place."

During the 12 March South-North contact, the North Korean side proposed to announce a "joint communique" saying that an agreement has been reached on the willingness to exchange special envoys between the two sides. Our side, however, rejected such a proposal.

In a news conference after the contact, our side's senior delegate, Song Yong-tae, said: "Because reaching an agreement on matters of different opinions is not a simple task, we cannot be optimistic about the exchange of the special envoys issue."

Conditions Set for Envoy Exchange

SK1303034394 Seoul HANGUK ILBO in Korean
13 Mar 94 p 1

[By reporter Chong Pyong-chin]

[Text] The government decided on 12 March to indefinitely postpone the third round of U.S.-DPRK talks and resume the Team Spirit exercise sometime next month in view of the fact that the exchange of South-North special envoys will not take place before 21 March, the deadline set between the United States and North Korea. The ROK and the United States decided to provide a new joint countermeasure regarding this matter.

A government official revealed on 12 March: "The South-North working-level contact to discuss the exchange of special envoys was once again postponed until 16 March. Therefore, it seems difficult for the exchange of special envoys to take place before 21 March, the date slated for the third round of U.S.-DPRK high-level talks. The ROK and the United States jointly believe that the North Korean side unilaterally invalidated the agreement reached with the United States."

This official added: "It was already decided at the 11 March ROK-U.S. working-level strategic meeting that if the exchange of special envoys does not take place before 21 March, the third round of U.S.-DPRK high-level talks will be indefinitely postponed and the Team Spirit exercise will be resumed as soon as possible. Since the Team Spirit exercise was suspended under these conditions, the ROK and the United States have no problems in resuming the Team Spirit exercise sometime next month."

U.S. Assistant Secretary of State Robert Gallucci, who participated in the ROK-U.S. working-level strategic meeting as the chief delegate, confirmed such an agreement reached between the ROK and the United States in a news conference on 12 March and said: "If the ROK and the United States determine it is necessary to resume the Team Spirit exercise, we are fully prepared to carry it out at any time. The ROK and the United States have already provided measures for all possible matters that may arise if the exchange of South-North special envoys does not take place."

Assistant Secretary of State Robert Gallucci also said: "The United States and North Korea agreed last month that four matters—the smooth inspection of North Korea's nuclear facilities by the International Atomic Energy Agency's [IAEA] inspection team; the realization of the exchange of South-North special envoys; the suspension of the Team Spirit exercise; and the holding of the third round of U.S.-DPRK high-level talks—must be carried out in a package deal. Even if the IAEA's inspection of North Korea's nuclear facilities were to be carried out smoothly,

the agreement between the United States and North Korea would be meaningless if the exchange of South-North special envoys did not take place."

Envoy Exchange 'Very Likely'

SK1403034094 Seoul KYONGHYANG SINMUN in Korean 14 Mar 94 p 2

[Article by reporter Yi Sung-chol: "Is the Exchange of Special Envoys Possible Before 21 March?"]

[Text] In spite of the pessimistic view on the exchange of North-South special envoys before 21 March, high-ranking ROK and U.S. officials believe that "it is not yet a desperate state," thus attracting the people's attention.

In a news conference held just before his departure from the ROK on the afternoon of 13 March, Robert Gallucci, U.S. assistant secretary of state for political and military affairs, said that the situation is "hopeful," unlike the general observation that the issue "has gone up the river," although he did not elaborate on this.

Such remarks by Assistant Secretary Gallucci may be construed as an expression of mere formality intended to not influence negatively the ongoing North-South working-level contacts for the exchange of special envoys. However, people believe that since he has experience in sitting face to face with the North Korean side during the first and second rounds of talks as senior delegate of the U.S. side, his remarks should not be taken lightly.

After holding the working contact on 12 March, Song Yong-tae, vice minister of the National Unification Board and our side's delegate to the North-South working-level contact, also revealed that although he is not definitely sure, the exchange of special envoys before 21 March is not technically impossible, thus making a similar suggestion to the one made by Assistant Secretary Gallucci.

Then, what is the reason they have not abandoned hope despite the prevailing general pessimism?

The day in which the exchange of special envoys could be possibly held, without breaking the "25 February North Korea-U.S. agreement," would be the first day of the week immediately following the 16 March North-South contact, or 21 March, which is designated as the date for the North Korea-U.S. high-level talks. It is the unanimous view of government authorities that the exchange of special envoys during the weekend is practically impossible in view of past instances. Therefore, the date to which both the ROK and the United States pay attention is 21 March. The two countries believe it is very likely that North Korea will propose this date.

It has been learned that the two sides discussed this issue in depth during Assistant Secretary Gallucci's visit to the ROK.

North Korea will possibly propose 21 March as the date for exchanging special envoys because, by doing so, it can avoid international criticism for breaking the "25 February North Korea-U.S. agreement," which requires the

exchange of special envoys before the North Korea-U.S. high-level talks, and because it can propagandize that it is simultaneously pushing for North Korea-U.S. high-level talks and North-South dialogue according to its own intention.

Besides, the "21 March special envoy exchange" corresponds to North Korean foreign negotiation tactics in the "settlement of all problems at the same time at the last moment."

There is an eight-hour time difference between Seoul and Geneva, where the North Korea-U.S. high-level talks are to be held. Therefore, the exchange of special envoys on 21 March would not necessarily mean that "the 25 February North Korea-U.S. agreement" was broken.

The ROK and the United States have not finished finalizing their positions toward this speculation but are intensively discussing whether or not they would accept such a North Korean proposal.

Foreign Minister Han Sung-chu temporarily showed a negative position toward "the possibility of the special envoy exchange on 21 March." However, an official close to him revealed that Minister Han is keenly attentive to this possibility.

Because of President Kim Yong-sam's upcoming visit to Japan and China slated for 24 to 30 March, the government has not finalized its strategy to cope with a possible North Korean proposal for an envoy exchange on 21 March.

A relevant government official said: The 21 March special envoy exchange would be the best card for North Korea. Although there were many negative views on the proposal on our side at first, positive opinion is now growing gradually from the standpoint that it is not necessary for us to drive North Korea into a corner by any means.

Article Analyzes Premier's Remarks on DPRK

SK1203083694 Seoul TONG-A ILBO in Korean 12 Mar 94 p 2

[Article by Yun Yong-chan: "Why Did Prime Minister Yi Make Remarks About North Korea?"]

[Text] Prime Minister Yi Hoe-chang suddenly convened a news conference on 10 March and strongly criticized North Korea for its insincere attitude toward the working-level contact for the exchange of special envoys. The prime minister's office said that particular news conference was nothing unusual. The news conference itself, however, was a deliberate act to a great extent.

Prime Minister Yi called the news conference after attending a high-level strategic meeting at his residence in Samchong-tong that morning and at a time when the North-South dialogue was deadlocked.

Prime Minister Yi looked stern and expressed his uncomfortable feeling about North Korea. He stated: "North

Korea assumed an insincere attitude toward the working-level contact," and "We doubt if North Korea has the will to exchange special envoys," and "We express strong regret."

During the news conference Prime Minister Yi primarily criticized North Korea for its insincere attitude, even though he also discussed ways to give financial assistance to government-patronized organizations and government restructuring.

He made hard-line remarks about North Korea for various purposes. First, we can say Prime Minister Yi felt it necessary to express the government's strong will, as some people criticized that the "government has been pulled and hauled by North Korea." He said that the government would not "beg" for dialogue with North Korea anymore. He reportedly expressed a strong uncomfortable feeling about North Korea at the high-level strategic meeting, as well. This means that the government has turned hard-line.

Prime Minister Yi made those remarks also because of the demand by Tom Hubbard, U.S. assistant secretary of State, and Warren Christopher, secretary of State, that the ROK National Security Law be abolished. Prime Minister Yi was much displeased with this interventionist demand and, therefore, felt it necessary to clearly express our government's own position on the North-South dialogue, without regard to the United States.

We can say that by making those remarks, Prime Minister Yi strongly asked North Korea to change its attitudes at the sixth working-level contact scheduled for 12 March. The government thinks that if no agreement was reached at the sixth working-level contact, it would be impossible for the North and South to exchange special envoys by 21 March, when North Korea and the United States are scheduled to start the third round of high-level talks.

We can also say that as it is virtually impossible to exchange special envoys given North Korea's attitude, Prime Minister Yi made those remarks in order to stress that North Korea would be held responsible for a possible breakup of the North-South talks. The government believes that North Korea has deliberately excluded South Korea from discussions on the nuclear issue and that it has also delayed the working-level contact for the exchange of special envoys, judging that it has nothing to lose even if the North Korean-U.S. talks are postponed.

DPRK Refuses Extraction of 'Hot Cell' Samples

SK1203041894 Seoul HANGYORE SINMUN in Korean 12 Mar 94 p 2

[Text] A relevant government official said on 11 March: During the course of the nuclear inspection by the International Atomic Energy Agency [IAEA]—which started on 3 March—North Korea has so far refused to allow the IAEA inspection team to take samples from the "hot cell," which is a facility to extract or process plutonium from the radiochemical laboratory, one of the key objects of the nuclear inspections. Therefore, North Korea has been in conflict with the IAEA.

Taking samples from the hot cell is an important means for the nuclear inspection to check North Korea's plutonium processing. Also, this is an important clue in determining the differences between the amount of plutonium extracted as declared by North Korea and the amount of plutonium North Korea has really processed.

A relevant government official said that "the ongoing conflict between North Korea and the IAEA regarding the nuclear inspection is due to North Korea's refusal to allow the extraction of the samples from the hot cell," and that "the IAEA and the United States are very dissatisfied with its refusal."

He said that "despite its agreement with the IAEA in the course of nuclear negotiations regarding the sample extraction from the hot cell, necessary for guaranteeing nuclear safety, North Korea had refused an actual inspection."

Concerning this, a relevant Foreign Ministry official said that "whether the North Korean refusal to allow the inspectors to obtain samples from hot cells has threatened the objective of the inspection is a matter that the IAEA should decide on" and that "we need to watch the other processes of the inspection because there are some other means to check the plutonium extraction without the extraction of samples from the hot cell."

Source Describes Difficulties IAEA Team Faces

SK1303000494 Seoul KBS-1 Radio Network in Korean 2300 GMT 12 Mar 94

[By correspondent Cha Man-sun from Vienna]

[Text] It has been learned that North Korea had trouble with the International Atomic Energy Agency [IAEA] inspection team from the beginning of the inspection because it did not comply with the agreement to allow IAEA's full-scope inspection [chonmyon sachal] but only allowed limited inspection, including the replacement of surveillance devices.

It has been learned that the IAEA will closely review the inspection results as soon as the inspection team returns early this week in order to decide whether or not to call a special Board of Governors meeting.

According to information from a well-informed IAEA source obtained today, during the 10-day inspection, which began on 3 March, North Korea did not allow the checking of the points for the full-scope inspection required by the IAEA and only allowed limited inspections, including the replacement of surveillance devices.

The source said North Korea only allowed limited inspections, including the replacement of surveillance devices, and that inspections on North Korean facilities did not go smoothly from the beginning. It seemed that the inspection team and the North Korean authorities had considerable disagreement regarding the broken seals in the radioactive chemical laboratory, in particular.

The source said the inspection team considered returning earlier than the original two-week schedule because North

Korea did not immediately allow follow-up steps for the confirmation of the contents due to the broken seals in the radioactive chemical laboratory.

The inspection team finished their preparations to leave on 11 and 12 March and will return early this week. The IAEA established a policy to call an emergency special Board of Governors meeting if it concludes that the inspections required by the IAEA were not conducted after receiving a more accurate inspection report from the inspection team.

Some Team Members To Stay in DPRK

*SK1303024694 Seoul CHOSON ILBO in Korean
13 Mar 94 p 1*

[By reporter Pak Tu-sik]

[Text] It was learned on 12 March that the International Atomic Energy Agency [IAEA] has made partial changes on its inspection plan, in which the agency was to begin inspections on North Korean nuclear facilities on 3 March and finish them around 14 March. It decided to have some members of the inspection team remain in North Korea for additional inspections.

Since North Korea postponed inspections on the radioactive chemical laboratory in Yongbyon, contrary to what it had promised to the IAEA, and sufficient inspections cannot be completed by 14 March—the deadline for scheduled inspections—the IAEA decided to extend the schedule and have some members stay there for one or two more days to inspect the facility. It has been learned that the IAEA had already made a tentative agreement with North Korea on the inspection method of the radioactive chemical laboratory, which is believed to be a nuclear reprocessing facility. The IAEA plans to have inspection members, aside from the ones who will stay longer, return to the IAEA secretariat office in Vienna on 15 March as scheduled.

A well-informed diplomatic source in Seoul explained: "The IAEA actually finished inspecting the North Korean nuclear facilities during the past inspections and is eager to have the results back at the IAEA headquarters for analysis. Some members will stay for a more thorough inspection of the last radioactive chemical laboratory, and all of them will be back by the middle of next week." Regarding the broken seals, the IAEA verified the information and accepted North Korea's explanation that "those were because of careless handling."

The source said: "North Korea intended to test the will of the ROK and U.S. Governments by deliberately creating obstacles to the exchange of North and South special envoys; however, the IAEA appraises that North Korea accepted comparatively easily the IAEA inspections, which are directly connected with UN sanctions."

IAEA Studies Meeting on DPRK Nuclear Issue

*SK1403042794 Seoul KBS-1 Radio Network in Korean
0310 GMT 14 Mar 94*

[Text] It has been learned that the International Atomic Energy Agency [IAEA] will decide this week whether it will convene a special Board of Governors meeting to intensively discuss the North Korean nuclear issue after hearing the precise report of the inspection team's activities in North Korea.

North Korea did not allow the inspection team to immediately confirm whether some seals, which are the core target of the current inspection, were broken or not. Thus, North Korea restricted the team's inspection activities. The IAEA regards this as an act of breaking the agreement.

Accordingly, the IAEA inspection team was going to leave earlier than the originally scheduled period of two weeks. However, the inspection team abandoned the early departure idea in consideration of China's reaction.

The IAEA inspection team is going to leave Pyongyang around 15 March after completing its inspection activities.

DPRK Reportedly Developing New Missiles

*SK1203013894 Seoul CHOSON ILBO in Korean
12 Mar 94 p 2*

[Text] It was confirmed on 11 March that North Korea is developing two new types of long-distance surface-to-surface missiles with a longer range than Nodong-1 (whose range is 1,000 km).

Regarding foreign papers' recent reports that North Korea is developing new types of missiles with a range of either 2,000 km or 3,500 km (tentatively named Taepodong 1 and 2), a government intelligence source said: The contents of the reports are generally true. U.S. intelligence authorities notified ROK authorities early this year about this development. Intelligence authorities of the two countries have thereby been keeping careful watch.

DPRK Said To Reorganize Production Facilities

*SK1403100194 Seoul YONHAP in English 0810 GMT
14 Mar 94*

[Text] Seoul, March 14 (YONHAP)—North Korea has reorganized various factories and state-run enterprises on a grand scale to strengthen the competitiveness of foreign trade and light industry, the National Unification Board (NUB) said Monday.

NUB said that North Korea had embarked on a large-scale restructuring of various production facilities across the country, after admitting to the failure of the third seven-year economic development plan at the 21st plenary session of the party's sixth Central Committee last December.

Through the reorganization, the communist North is drastically reducing the functions and scale of heavy industry, while concentrating on fostering trade and light industry to promote exports, NUB noted.

A NUB official said, "North Korea's reorganization of production systems is focused on strengthening light industry and foreign trade. However, it does not mean any change in the fundamental economic system of socialism."

Government To Ease Rules for U.S. Forces Suppliers

SK1203033194 Seoul THE KOREA HERALD in English 12 Mar 94 p 8

[Text] The government will sharply relax rules concerning military suppliers for the U.S. armed forces in Korea to remove barriers to new entrants. Currently, Korean firms or individuals wanting to register with local administrative bodies as the suppliers of goods and services to the U.S. army have to meet a set of requirements. For instance, the firms should be capitalized at 50 million won (\$62,000) or more, while individuals need to maintain a minimum daily deposit of 10 million won for one month upon application. In addition, the suppliers also have to meet certain qualification conditions in terms of manpower and facilities stipulated by separate business laws.

The biggest obstacle for the would-be suppliers, however, has been the requirement to join a cooperative of purveyors which awards a clean bill for security to its members, another must to become a military supplier government officials said. The capital and qualification requirements will be abolished under the new rules, which will be fixed at an administrative deregulation meeting next week. The provision which obligates the obtaining of security approval will also be removed, the officials said. As of the end of last month, there were 534 purveyors to the U.S. army, and their 1993 business volume reached \$327 million, they said.

ROK, Japan, Russia To Test for Waste Dumping

SK1203041094 Seoul YONHAP in English 0319 GMT 12 Mar 94

[Text] Seoul, March 12 (YONHAP)—South Korea, Japan and Russia start month-long joint testing of the East Sea from March 18 to look for signs of contamination from radioactive waste dumped by Moscow, Foreign Ministry officials said Saturday.

The 4,000-ton Okean, a Russian survey vessel, will cover seven test points in the area, which lies between Korea and Japan, during the one-month period, officials said.

A total of 32 surveyers—seven from South Korea, nine from Japan, 15 from Russia and one from the International Atomic Energy Agency (IAEA)—will participate in taking samples of the water, seabed and plankton.

The three countries agreed to bear the cost equally.

On-the-spot test results will be out within one month after the Okean completes its route, but the final analysis will not come out until approximately a year later.

A second set of surveys is planned sometime in the middle of the year, officials said.

Companies Prepare for Advancement Into China

SK1203025794 Seoul YONHAP in English 0159 GMT 12 Mar 94

[Text] Seoul, March 12 (YONHAP)—South Korean companies are gearing up for serious advancement into China in time for President Kim Yong-sam's state visit to Beijing later in the month. Trade officials and industry sources said Saturday that major Korean companies have high hopes as they prepare to jump at wider Chinese investment opportunities created by the momentum of the Seoul-Beijing summit.

Samsung Electronics Co. and Goldstar Telecommunications Co. have their sights set on Beijing's three-phase communications modernization plan, which is likely to adopt the Korean telecommunications exchange system, time division exchange, for its central communications network, and are poised to expand production at their joint-venture factories in China.

Further encouragement comes from a recent visit to Beijing by a team of experts, who were assured by Chinese officials that serious consideration will be given to the TDX system for use in the communications network in the central mainland.

One trade official who went with the team said China is disillusioned by the high cost of products from Japan's NEC and France's Alcatel, which are currently used in the network. As a result, they have tentatively decided to add the Korean system due to its price and quality, and are currently conducting a final screening, the official said.

Seoul and Beijing are also near agreement on holding a large-scale exhibition of Korean electronic products, sponsored by the Trade, Industry and Energy Ministry and Electronics Industry Association of Korea (EIAK), in China sometime before the summer.

Hyundai Group Chairman Chong Se-yong and Hyundai Motor Co.'s vice president of exports, Paek Hyo-hi, visited China for four days from Feb. 27 and discussed exports of completed cars and possible joint ventures with senior Chinese officials.

Daewoo Group Chairman Kim U-chung, who already visited China last fall, left on an American tour on Friday with automobile executives to sound out opportunities there and will stop in China for the same reason on their way home.

Beijing is currently talking about allowing Korean auto exports in return for Korea purchasing Chinese auto parts. One Korean automaker is reportedly near a deal on joint manufacture of auto parts.

China, which had stuck to a policy of allowing just eight foreign automakers access to its market to protect its own industry, recently became more flexible by permitting local joint-venture firms to acquire two or more foreign partners. Industry experts predict Beijing may allow more foreign firms to make inroads, citing recent plans to

expand production of cars to 2 million units and of commercial vehicles to 1 million by 2000.

Korean business leaders are expected to accompany President Kim on his visit to China or go there beforehand to promote their businesses.

President Tours Kangwon Province 12 Mar

*SK1203031594 Seoul YONHAP in English 0206 GMT
12 Mar 94*

[Text] Chunchon, South Korea, March 12 (YONHAP)—President Kim Yong-sam was briefed Saturday on Kangwon Province's administrative plan for 1994 on the last leg of a tour of 15 provinces and cities. Governor Yi Sang-yong and Superintendent of Educational Affairs Kim Pyong-to explained to the president about Kangwon Province's plan.

President Kim said, "using the opportunity of Visit Korea Year, South Korea should promote the tourism industry and enhance the level of service offered to foreign tourists." He asked the governor to make optimum use of Kangwon's beautiful tourism resources and turn the province into a top-class tourist destination. Kangwon Province, famous for its beaches, ski resorts and beautiful mountains, is already the country's top tourist draw along with Cheju Island.

President Kim said, "the beautiful scenery of Sorak Mountain and the east coast has made the province an excellent tourist site." He instructed the governor to find and analyze problems with Kangwon Province's tourism and study composite measures to eliminate such problems. Kim added, "Kangwon Province is a 'future land' which has unlimited potential for development. It should study its functions and role as the center of the Korean peninsula in the post-unification era." He told the governor to push ahead with a composite development plan for the 21st century.

Government To Overhaul Yulgok Projects

*SK1203034694 Seoul YONHAP in English 0313 GMT
12 Mar 94*

[Text] Seoul, March 12 (YONHAP)—The Defense Ministry said Saturday that any Yulgok military buildup project entailing an outlay of 1 trillion won will require cabinet and National Assembly approval from next year. The ministry will make the minimal number of changes in force requirements but if more are needed, the Force Requirement Coordination Committee will conduct an in-depth study.

In addition, the ministry will set up a clear channel of officials responsible for every Yulgok project while simplifying the process of acquiring military hardware. These plans were contained in a report released by the ministry on Saturday. It was compiled by the National Defense System Improvement Committee, headed by the superintendent of the Korea Military Academy, Lt. Gen. Chang Sung. The committee studied the plans over a period of two months.

The report deals with 30 fields covering the system, regulations, organization and manpower of the Yulgok program and military supplies. It recommends 164 improvement tasks, of which 141 short-term items will be dealt with from this April through 1995 and 23 medium- and long-term problems will be handled after 1996.

"The proposal for reform of the Yulgok projects and military supplies procurement system placed emphasis on efficiency, rationality, responsibility, speciality and transparency," said Gen. Chang. "The committee will form a follow-up committee in order to push the proposed reform continuously for one year," he added.

Accordingly, the 31-member National Defense System Improvement Committee formed under special orders by Defense Minister Yi Pyong-tae last April 10 will be disbanded as of Tuesday. It will be replaced by a follow-up committee comprising five to six officials.

The Yulgok project has received its budget from the government based on overall estimates in the past. But from 1995, the government will decide on each project before making allocations, except for those requiring secrecy because of purchase negotiations. If any project costs more than 1 trillion won, the government will form a special committee of concerned ministers to study it before seeking cabinet and National Assembly approval.

When a change in force requirements must be made, a Force Requirement Adjustment Committee comprising officials from the Defense Ministry, the Joint Chiefs of Staff, and the three branches of the Armed Forces will study it so that the proposed change does not depend on any one particular official. In order to make it clear where responsibility lies in every stage of the decision-making processes, the Joint Chiefs of Staff will decide on changes to forces requirements and procurement methods, while the kinds of weapons will be decided by the ministry under the direction of the second assistant minister. Negotiations and contracts will be made by the Logistics Center (LOGC) and simple weapons procurement will be left to each branch of the Armed Forces.

Bank of Korea on Firms With Overseas Offices

*SK1203025694 Seoul YONHAP in English 0043 GMT
12 Mar 94*

[Text] Seoul, March 12 (YONHAP)—South Korean business firms had 2,984 overseas branch offices as of the end of last year, the Bank of Korea said on Saturday. The figure does not include the overseas offices of Korean banks.

At the end of 1992, the number of overseas branches stood at 2,656, meaning the figure rose by 27.3 per month over the next year. Based on these statistics, the current total is estimated at more than 3,000. But out of the branch offices, only 494 are actually conducting business and the remaining 2,490 are just offices handling liaison affairs and research. Of the branch offices, 1,495 are based in Asia, 694 in North America and 407 in Europe. By

country, 659 are located in the United States, 624 in Japan, 192 in Hong Kong, 184 in China and 143 in Indonesia.

Last year 128 new offices were set up in China, reflecting Korean companies' keen interest in that country. Vietnam and Russia attracted 31 and 19, respectively.

By sector, manufacturing numbered 1,102, followed by trading at 693; Transportation and fishing at 296; Tourism at 234 and construction and services at 214.

Meanwhile, banks have 145 overseas offices, up 15 from 130 at the end of 1992. Sixty-eight are located in Asia, 40 in North America, 27 in Europe, two in the Middle East and eight in other areas.

Tariffs Lowered on Research Institute Imports

SK1203031094 Seoul THE KOREA HERALD in English 12 Mar 94 p 8

[Text] Forty-eight items have been added to the list of products enjoying tariff reduction when they are imported by domestic research institutes, the Ministry of Finance said yesterday. The government levies only 20 percent of customs duties on any of the items when a research institute affiliated with a corporation imports them for the purpose of technology development. The ministry said it has given priority to the needs of semiconductor, auto and aerospace industries in selecting the new items. Favors have also been given to research institute working on machine tools and measurement instruments mainly used by small- and medium-sized corporations, it said.

The newly selected items include gas turbines, electron lithography systems, chip-mounting machines and optical wave length meters. Dropped from last year's list of 243 items for tariff reduction are 50 items, all of which can be replaced by locally manufactured products, the ministry said. While changing the specifications of another 75

items, the ministry said, the government has redesignated 118 items for tariff reduction. As a result, 241 items are eligible for tariff reduction.

Name of 1960 'Uprising' Changed to 'Revolution'

SK1403115294 Seoul YONHAP in English 0704 GMT 14 Mar 94

[Text] Seoul, March 14 (YONHAP)—The government has decided to change the official title of "the April 19 (student) righteous uprising" to "the April 19 revolution" in a re-evaluation by the Kim Yong-sam administration of the event's historic significance.

The Ministry of Patriots and Veterans Affairs said Monday that the change was occasioned by both popular and scholarly opinions, collected at public hearings and academic forums, urging the government to rename the historic event.

On April 19, 1960, students across the country rose up against the reputedly dictatorial and corrupt government of President Syngman Rhee, accused of rigging the presidential election on March 15, and succeeded in ousting Rhee.

The first South Korean president announced his resignation on April 26 and sought refuge in Hawaii on May 30.

The event, however, was allegedly played down by the following governments of Presidents Pak Chong-hui, Chun Tu-hwan and No Tae-u.

The government will consult with related ministries before putting the revision to the regular session of the National Assembly this September, seeking to change the event's title as stated in laws on the privileges of patriots and veterans, according to the ministry.

Meanwhile, the Education Ministry is looking into designating the event, whose title currently differs from textbook to textbook in middle and high schools, as "the April 19 revolution," ministry officials said.

Brunei, Malaysia & Singapore

Malaysia

Sabah Assembly Dissolved 3 Weeks After Elections

BK1303083894 Kuala Lumpur Voice of Malaysia in English 0600 GMT 13 Mar 94

[Text] The three-week-old Sabah State [Legislative] Assembly has been dissolved today paving the way for fresh state elections. The dissolution by the Parti Bersatu Sabah [Sabah United Party], PBS, State Government was announced by Chief Minister and PBS President Datuk Joseph Pairin Kitingan at his residence at Sri Jaya in Kota Kinabalu at 1220 PM.

Governor Denies Approving Dissolution

BK1303135894 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 13 Mar 94

[Text] Sabah Yang Dipertuan Negeri [Governor] Tun Mohamed Said Keruak had dismissed Chief Minister Datuk Joseph Pairin Kitingan's claim that Tun Said had consented to dissolve the state assembly. Tun Said said he met Pairin at the latter's request at 0915 AM today and had refused the chief minister's request to dissolve the three-week-old assembly. He said this [words indistinct] is done in accordance with the Yang Dipertuan Negeri's discretionary powers under Article 10 of the Sabah state constitution and in accordance with established constitution convention.

Tun Said said this in a statement signed by him and faxed to BERNAMA in Kuala Lumpur tonight. On the document produced by Pairin signifying his consent, Tun Said said he did not sign any such document.

Chief Minister Offers To Resign

BK1403070494 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Mar 94

[Text] Datuk Joseph Pairin Kitingan is said to have offered to step down as Sabah chief minister to resolve the present crisis in the state. This was disclosed by his brother Datuk Jeffrey Kitingan, who is the Parti Bersatu Sabah, PBS, [Sabah United Party] assemblyman for Bingkor. Datuk Jeffrey said he will inform Prime Minister Datuk Sri Dr. Mahathir Mohamed and his deputy, Datuk Sri Anwar Ibrahim, of the offer in a special meeting tonight.

Datuk Jeffrey was speaking to reporters at the open house hosted by Datuk Sri Dr. Mahathir at Sri Perdana [prime minister's official residence] today.

The three Parti Bersatu Sabah assemblymen who quit the party last Saturday lodged a police report against Chief Minister Datuk Joseph Pairin Kitingan and two others at the Bukit Aman Federal Police Headquarters early this morning.

UMNO [United Malays National Organization] information chief, Haji Karim Zain, said the report by the trio—Datuk Lajim Ukin, Rubin Balang, and Datuk Zainal

Ishak—alleged fraud against Datuk Pairin, State Assembly Speaker Datuk Haji Hasan Alban Sandukan, and Assembly Secretary Datuk Francis Yap in respect of their update undated resignation letters as state assemblymen.

In their reports, lodged in about 1:45 AM, they denied that they had consented or given approval that their letters be submitted or that they had instructed anybody to put a date to the letters and submit them to the state assembly.

The three assemblymen also asked police to investigate their case and to take appropriate action. They were accompanied by two lawyers when making the police report.

The three state assemblymen announced their resignation from PBS to throw their support behind Barisan Nasional [National Front] last Saturday. They issued a statutory declaration stating that all documents or letters signed by them—whether dated or undated—pertaining to their resignation from the state assembly were null and void.

Hours after the announcement which put Datuk Pairin's three-week-old state government in jeopardy, Datuk Yap announced that the trio had resigned from the state assembly and that by-elections would be called.

Mahathir To 'Study' Pairin's Offer

BK1403090294 Kuala Lumpur Voice of Malaysia in English 0800 GMT 14 Mar 94

[Excerpt] Datuk Sri Dr. Mahathir says he will study the offer by Datuk Joseph Pairin to step down as Sabah chief minister in order to resolve the political crisis within the state. The prime minister said many factors need to be considered before he could make any decision on the offer. Speaking to reporters at his Hari Raya [end of fasting month] open house in Kuala Lumpur, he said it was difficult to make a decision because many events had occurred since the state elections last month. He said his decision had to take into account the actions of several Parti Bersatu Sabah [Sabah United Party, PBS] assemblymen who had resigned to join the Barisan Nasional [National Front].

Pairin, who is PBS president, told his younger brother, Datuk Dr. Jeffrey Kitingan, who is the Bingkor assemblyman and Sabah Foundation director, of his wish to step down as chief minister. Interviewed by reporters at the prime minister's residence, Sri Perdana, this morning, Dr. Jeffrey said Datuk Pairin wants to play a different role and is prepared to withdraw as a means to avoid political crisis. Dr. Jeffrey is expected to convey Pairin's offer to Datuk Sri Dr. Mahathir and Deputy Prime Minister Datuk Sri Anwar Ibrahim at a separate meeting in the federal capital tonight. [passage omitted]

Australian Editor Refuses To Name Sources

BK1303143494 Kuala Lumpur NEW STRAITS TIMES in English 11 Mar 94 p 2

[Text] KUALA LUMPUR, Thurs.—THE CANBERRA TIMES, one of two Australian newspapers that alleged

Malaysian politicians had been bribed by the Australian Secret Information Services (ASIS), will not divulge its sources to Malaysian police.

The daily's editor, Michele Garttan, said the sources had been assured of anonymity when they agreed to give their story to the newspaper.

"Their identity is confidential and we will not betray their trust in us," said Garttan said in a telephone interview today.

On whether she would cooperate with Malaysian police in their investigations, Garttan said they had not been approached as yet.

"We will decide on this if and when we are approached," she said.

Inspector-General of Police Tan Sri Rahim Noor said on Tuesday that they had sought the help of the Australian Interpol to interview the former ASIS agents who had made the accusations.

Rahim said police also wanted to interview the editors and journalists of the THE CANBERRA TIMES and the SUNDAY TELEGRAPH regarding the reports.

Garttan said there had not been many reports in the Australian newspapers over the last few days on the issue as interest seemed to have died down.

The SUNDAY TELEGRAPH reported on Jan 16 that opposition leaders in Malaysia and Singapore had been paid bribes, while the report by THE CANBERRA TIMES on Feb 3 stated that the recipients of these bribes included Government politicians.

The reports claimed that the payments were made without the full knowledge or consent of the Australian Government. They claimed that payments were first made when the leaders were junior politicians and increased as they grew in stature.

It was reported today that the editor-in-chief of the SUNDAY TELEGRAPH, John Hardigan, had agreed to cooperate with Malaysian police in their investigations.

Police are expected to send several officers from the special team set up to investigate the allegations to Australia soon. The team has already recorded statements from several politicians here.

Meanwhile, the Australian journalists' union has rejected a Malaysian suggestion that reporters should reveal to Malaysian police their sources for allegations that Australian spies had bribed Malaysian politicians.

Media, Entertainment and Arts Alliance national secretary Chris Warren said in Canberra that Australian journalists would not reveal this information to Malaysian authorities or anyone else because journalists here are bound by a code of ethics not to prejudice sources or breach any other confidences.

Cambodia

Sihanouk Disclaims Ability To Propose Talks

BK1303090394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 12 Mar 94

[Message from Norodom Sihanouk, king of the Cambodia, to Khieu Samphan, chairman of the Party of Democratic Kampuchea; dated 11 March in Beijing—read by announcer]

[Text] To His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK], through the royal cabinet in Phnom Penh.

Most affectionate Excellency: I have received your telegram sent on behalf of the PDK voicing support for my 7 March statement. I would like to express most profound thanks to Your Excellency and your side for the firm support with sentiments and noble and precious confidence. However, I would like Your Excellency and your side to also know that as for my five-point plan, I cannot propose any meeting or talks as long as the two premiers of the royal government do not agree.

Your Excellency and the PDK, please accept profound and most cordial consideration and affection from me and the queen.

[Signed] Norodom Sihanouk

[Dated] Beijing central hospital, 11 March

Sihanouk Issues Appeal Against Use of Land Mines

BK1403071694 Phnom Penh AKP in French 0405 GMT 14 Mar 94

[Text] Phnom Penh 14 Mar (AKP)—"I appeal to the Royal Government and the Khmer Royal Armed Forces, as well as the party of Democratic Kampuchea and its armed forces, to stop mining our nation's land—immediately, totally, and definitively," His Majesty King Norodom Sihanouk insisted in a 10 March letter from Beijing. The letter, citing in particular the serious danger currently caused by land mines, stressed:

"It is a fact that our Cambodia has become the world champion as far as the number of invalids is concerned... Today there are more than 40,000 victims of mines and other explosives. To this number, without counting the dead, we should add another 600 per month whose arms or legs are mutilated by explosions... Mine specialists—both foreign and local—estimate that nearly 10 million land mines have been laid in our poor motherland, while Cambodia's population is just 9 million... In their opinion, it would require 600 years—or six centuries—of work to clear all of these mines on our current small budget... Therefore, I appeal to the Royal Government and the Khmer Royal Armed Forces, as well as the party of Democratic Kampuchea and its armed forces, to stop mining our land—immediately, totally, and definitively; to begin joint mine clearing operations; and to destroy completely all mines remaining in their stocks... I would

like to thank the soldiers and/or the warriors of all parties in advance for their patriotism and their nobility in totally destroying the land mines so that our Cambodia and our Cambodian population can live."

Prime Ministers Return After Tokyo Aid Conference

BK1203144294 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 12 Mar 94

[Text] The high-ranking delegation of the Royal Government of Cambodia [RGC] led by Prince Krompreah Norodom Ranariddh, first prime minister, and Samdech Hun Sen, second prime minister of the RGC, returned to Phnom Penh at 1810 on 12 March after attending the international conference on Cambodia's reconstruction that ended in Tokyo, Japan.

Greeting the delegation at Pochentong international airport were His Excellency [H.E.] Sar Kheng, deputy prime minister and co-minister of interior; H.E. Ing Kiet, state minister and minister of public works; H.E. Chem Snguon, state minister and minister of justice; and many other leading officials.

Their excellencies representing the Japanese and Thai embassies were also present.

VGNUFC Terms Tokyo Aid Conference 'Failure'

BK1303090794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 12 Mar 94

[Text] The Tokyo conference organized by the alliance in an attempt to get money to assist communist Vietnam to continue its aggression and occupation of Cambodia through the two-headed government, their common puppet, was a failure.

This conference failed because:

1. No country promised to provide aid to the two-headed government;
2. Only the United States, Japan, and Australia pledged to provide some aid. [sentence as heard] The two-headed government is not very hopeful that a significant amount of money is forthcoming even from these pledges.

At the previous Tokyo conference, these countries also made promises. In concrete terms, the money came in trickles. Many countries and international organization at the meeting proposed that peace and security be established first for their aid to be efficient. These countries made this proposal not believing that the two-headed government can carry out what they have proposed.

1. Who can the two-headed government convince about economic rehabilitation and Cambodia's reconstruction if its mouth talks about national reconstruction while its hands are constantly fueling the war of communist Vietnam?

2. How can national reconstruction take place when the government is so corrupt? What country, apart from bad elements in the alliance, is going to throw money into a bottomless pit?

These are the major reasons that cause the failure of the Tokyo conference.

Indonesia

Suharto Announces Decision To Retire in 1998

AFP Reports Suharto Decision

BK1203092194 Hong Kong AFP in English 0736 GMT 12 Mar 94

[Text] JAKARTA, March 12 (AFP)—Indonesian President Suharto, who has been at the helm of the world's fourth largest nation since 1967, said Saturday that he would step down after his current five-year term ends in 1998. "When do I stop? Later, after I have accounted for my duties in five years. So, in another five years I will stop," Suharto said in response to a question at a national consultation meeting of the government-sponsored Indonesian National Youth Committee. "I have no ambition of becoming president for life," the 72-year-old head of state said.

Suharto urged qualified Indonesians to show the people their accomplishments so that they could possibly be elected as president by the People's Consultative Assembly, the country's highest legislative assembly.

"Feel free to compete, who is the (nation's) best son and has the best performance, so as to be seen by the people," Suharto said at the rare question and answer session at the presidential office. He said that aspirants could come from officialdom, the military or the civilian population.

Suharto laughed in response to a statement by one of the youth committee members that the organisation wanted him to serve another five-year term. "In that year (1998), how old would I be?" he replied. "This should be taken into account. The laws of nature prevail and should be taken into account.

Suharto Interviewed on Plans

BK1203102994 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 12 Mar 94

["Excerpt" of interview with President Suharto by Ruhut Sitompul, member of Indonesian National Youth Committee, in Jakarta on 12 March—recorded]

[Text] [Sitompul] Mr. President, I would like to thank you for giving me a chance to speak. I want to talk about the constitutional issue. As national youths, we all believe that you are a leader elected through constitutional means. Now we want to discuss the issue of the national leadership succession. Being your sons because we are from KNPI [National Youth Committee], I want to discuss your earlier remarks on the leadership succession, but first let

me tell you that we are impressed by the detailed explanation you gave us on our national development stages. Our regeneration process is natural, not by passing the baton as in a foot race. The leadership mechanism proceeds smoothly every five years. Therefore, if the People's Consultative Assembly, our highly esteemed state institution, still wants you to serve as president after 1998 for the second long-term development plan, we beg you to be ready to serve for another term [words indistinct].

[Suharto] In 1998, how old will I be? Seventy-seven years old, right? I have thought about it, [words indistinct]. However, we cannot stop the law of nature, which I must take into account [words indistinct].

[Sitompul] But we pray to the almighty God for your ...

[Suharto, interrupting] [Laughs] Thank you. As I once said in the past, I knew nothing about economics, but now, the younger generation is smarter and faster in learning things. What did I do when I knew nothing about economics? I enlisted the assistance of economists like Mr. Wijoyo and his friends. I allowed them to carry out debates on economic matters, and I just listened to them. [laughter] After a few months, I began to take part in the discussions. Finally, because I had to make decisions, I began to learn things in a gradual way. We should not be discouraged, because God will certainly show us his way. Besides, our struggle still has a long way to go.

[Sitompul] We do not want to talk about the heir apparent issue, but in view of the leadership model that you have given all of us, the beloved Indonesian people, we hope that at least there will be somebody that will inherit your leadership qualities, because after 25 years or even 30 years, we do not want to see a new leader with new policies. We must firmly and resolutely adopt the Pancasila [five principles] ideology and the 1945 Constitution.

[Suharto] I think the system makes sense because what a president does is bound to be within the GBHN [Broad Outline of State Policy]. Therefore, if his actions are against the GBHN, or he wants to do as he wishes, he must be corrected, and the House of Representatives is entitled to summon him, but it is the MPR [People's Consultative Assembly] that is authorized to impeach him. So there is the safety valve system. We must admit that nobody is perfect, and everybody must do his share to help the country so that things will turn out smoothly. Therefore, we should not be alarmed, and my duty is to create a situation where everybody can work and show his achievements. People can produce achievements in different areas, and the MPR may begin to judge their performance and discuss them through their parliamentary factions. As you know, I will certainly not abandon our struggle in the second long-term development plan.

There are three main principles in the ABRI [Indonesian Armed Forces] leadership, and one of them is [words indistinct]. Even if during my absence, we must still adopt the principle of Tut Wuri Andayani [providing education to children by supporting them from behind], and we will

never abandon our responsibility to our nation's struggle. Let us pray to God for his blessings. Thank you, and peace be upon you.

President To Stay to End of Term

BK1203085594 Jakarta ANTARA in English 0651 GMT
12 Mar 94

[Text] Jakarta, Mar 10, (ANTARA)—President Suharto reiterated here on Thursday that he will remain in the presidential office until the end of his tenure in 1998. "I will remain in office until 1998. I must not step down on the way. Only after I deliver my accountability (before the people's congress) will I step down," He was quoted by the Indonesian Ulemas Council (MUI) Chairman Hasan Basri as saying.

Hasan Basri together with Azhar Bashir, chairman of the Islamic Organisation Muhammadiyah and Ilyas Rukiat of the Islamic Propagation Council (DDI), met with the president to discuss problem on how to determine the first day of the Arabic Shawal month, 1414 Hegira. Basri said that the president reiterated the remarks in response to the concern of Moslems in the country that he will step down before his tenure of presidential office is completed in 1998.

Moslems in Indonesia raised concern over the matter following the remarks of a US author, Donald Wilson, who said in Jakarta recently that Suharto knew well when he steps down. Wilson's remarks provoked speculations that President Suharto will step down before his term of office is completed, the MUI chairman said. "Please do not try to engineer unclear things," the president was quoted by Hasan Basri as saying.

The president said that the People's Consultative Assembly (MPR) will find the correct new president in the future. "It is illogical if the MPR cannot elect a new president among the 180 million," the president told the Ulemas.

On the occasion the president expressed hope that Ulemas would reach a common consensus on the first day of Shawal, 1414 Hegira. He asked the Ulemas to make their best in order that Moslems in the country can celebrate and say their 'id al-fitr prayers on the same day. In the past years, there had been differing views among the Ulemas on the first day of Shawal that Moslems celebrated it not on the same day.

Not 'President for Life'

BK1203090594 Jakarta ANTARA in English 0655 GMT
12 Mar 94

[Text] Jakarta, March 12 (ANTARA)—President Suharto said here Saturday that he had never had the ambition to become a president for life because he was aware of his age and ability. "I am not ambitious to serve as president for life," the president said in a dialog with members of National Youth Committee (KNPI). He said that the People's Consultative Assembly (MPR) must be able to find a new president.

During the dialogue, a KNPI member requested that the head of state be ready to serve another five year term after his current presidential tenure expires in 1998. In response to the proposal, the president said: "Please count how old I am at that time (he was born in 1921 ed.) this must be taken into account." He said that the law of the nature must be considered, referring to the decreasing ability of a person due to old age. "God will provide guidance. Moreover, children today are clever," the head of state said.

When another KNPI member suggested that the president prepare a "crown" in order to keep the state policies unchanged even if there is a change in the state leadership, Suharto said that it would not happen as long as the MPR decrees are implemented well.

On the occasion the president reiterated that he would not step down before the completion of his constitutional tenure in 1998.

Alatas: Super 301 Revival 'Unilateral Act'

BK1103124494 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 11 Mar 94

[Text] Indonesia has called on the United States not to reenact the Super 301 trade law. Foreign Minister Ali Alatas told reporters in Jakarta today that a trade law like Super 310 should not be imposed because it amounts to an unilateral act. The U.S. policy of reenacting the trade law has also been criticized by France. French Industry and Foreign Trade Minister Gerard Longuet said the U.S. decision was unjustifiable as it was directed against a certain nation like Japan.

According to Foreign Minister Ali Alatas, it is improper for the United States to use political, military, and financial influence to serve its business interests. Minister Ali Alatas swore in the consuls general of the Republic of Indonesia for New York and Berlin in Jakarta this afternoon. Accordingly, the minister asked the Consulate General of the Republic of Indonesia in New York to consistently monitor any problems in relations between the Republic of Indonesia and the United States, including the issue of workers, to maintain good bilateral relations.

Diversification Needed Against Protectionism

BK1303074094 Jakarta ANTARA in English 1423 GMT 12 Mar 94

[Text] Jakarta, March 13 (ANTARA)—The protectionist trade practices of some developed countries should be countered by Indonesia through market diversification, opportunities for which are abundant, a senior trade official said. Rudy Lengkong, head of the National Agency for Export Development (BPEN), was commenting on reports that the United States was threatening to revive its "Super 301" Trade Act and apply it to countries Washington believes are guilty of unfair trade practices toward the U.S.

Lengkong said many countries other than the protectionist developed ones, were still "wide open" for Indonesian goods. "We should widen our marketing reach among

the developing countries, in other words: diversify our markets," he said. The Latin American countries, former communist countries in Eastern Europe and Middle Eastern countries were potential markets for Indonesian products, he added.

Meanwhile, business circles in Jakarta said Indonesia should diversify its overseas markets not only in response to the protectionism of certain developed countries but also because its traditional foreign markets were suffering from a protracted recession.

Previously Foreign Minister Ali Alatas had said the United States should no longer use its Super 301 Trade Act against its trade partner because such action would not be in line with the GATT's (General Agreement on Tariffs and Trade) Uruguay Round accords. "Super 301 should no longer be used since the Uruguay Round of GATT has duly provided for certain clauses governing settlement of disputes among countries," Alatas said.

Lengkong said Indonesia should be working hard to accomplish the diversification of its markets and reduce its dependence on its traditional markets.

According to private business observers, Indonesia is lagging far behind its partners in ASEAN (Association of South East Asian Nations) where export market diversification is concerned.

Cuba's Robaina Meets House Speaker Wahono

BK1003162194 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 10 Mar 94

[Text] The Cuban Government appreciates the efforts exerted by Indonesia in its capacity as chairman of the Nonaligned Movement to end the U.S. economic embargo against the country. In his meeting with House Speaker Wahono in Jakarta today, Cuban Foreign Minister Roberto Robaina said his country is grateful to Indonesia's efforts to end the economic embargo imposed by the U.S. Government since 1961.

Foreign Investment Plunges in Jan, Feb

BK1103134794 Jakarta THE JAKARTA POST in English 1 Mar 94 p 8

[Text] Jakarta (JP)—Total foreign investment commitments, which more than tripled to US\$1.57 billion from December 1993 to January 1994, fell by 90.5 percent in the January-February period.

The Investment Coordinating Board (BKPM) claimed in its monthly report yesterday that out of the foreign investment projects approved by the government in the January-February period, \$96.04 million was committed for 19 new projects and the remaining \$53.69 million for 15 expansion projects. In comparison, the board approved 57 new foreign projects worth \$278.29 million in the December-January period and nine expansion projects worth \$1.29 billion.

Yesterday's report also noted that domestic investment commitments decreased by 16.4 percent to Rp [Rupiah] 4.6 trillion (\$2.19 billion) in the January-February period from the previous monthly period.

Out of the January-February domestic investments, Rp 2.92 trillion (\$1.38 billion) was committed for the establishment of 53 new projects and Rp 1.73 trillion for 28 expansion projects. In the December-January period, BKPM approved 57 new projects valued at Rp 2.23 trillion and 30 expansion projects valued at Rp 3.26 trillion (\$1.56 billion).

The new foreign-sponsored projects include:

- A \$36.8 million textile plant in West Java to be operated by PT [Company Limited] Kanebo Indonesia Textile Mills.
- A \$10.5 million container and warehousing project in Jakarta to be operated by PT Bimaruna Jaya.

The new domestic projects include:

- A Rp 1.47 trillion integrated fishing plant in the eastern Sumatran province of Riau by PT Siberut Minasamudra.
- A Rp 105.4 billion integrated palm oil plantation in Riau to be operated by PT Tunggal Mitra Plantations.
- A Rp 151.4 billion integrated palm oil plantation in West Sumatra to be operated by PT Bakrie Pasaman Plantations.

The domestic expansion projects include:

- A Rp 929.9 billion paper mill in East Java to be operated by PT Ciwi Kimia.
- A Rp 264.5 billion tissue paper and cultural paper plant in West Java to be operated by PT Onward Paper Utama.

BKPM also announced yesterday that it had canceled four domestic investment projects, including two logging plants in East Sumatra meant to be operated by PT Triomas Forestry Development Indonesia and PT Budiman Timber. The other two canceled projects are a sugar mill in East Java submitted by PT Lumbung Tani Indonesia and a textile plant in Central Java proposed by PT Kamaltex.

Last year, total foreign investment commitments declined by 21 percent to \$8.1 billion from the previous year, although the total number of projects increased to 329 from 305.

Minister: Textile Surplus Lowers Export Rate

BK1203163194 Jakarta ANTARA in English 1325 GMT 12 Mar 94

[Text] Jakarta, Mar 12 (ANTARA)—The low growth rate of the country's textile and textile product exports in 1993 was mainly caused by an oversupply of such commodities on the foreign market as a result of the world recession, Industry Minister Tunky Ariwibowo has said.

Ariwibowo told the press after a meeting with President Suharto here on Saturday that the country's textile and

textile product exports for all of last year were valued at 5.8995 billion US dollars, an increase of 0.01 percent from the previous year's figure.

Compared with other export commodities such as wood and rubber, of which exports increased by 37 percent and 148 percent respectively, the growth rate of textile and textile product exports was very low, the minister said.

The oversupply of products had caused consumers to buy products which had been already stored at warehouses as merchandise, leading to slow trade in new products, he said. He also attributed the slow growth rate of Indonesia's textile and textile product exports to the entry of China's textile to the United States, the appreciation of Japanese yen against the US dollars besides the emergency of new textile exporting countries.

To boost the growth rate of textile and textile product exports, which currently become one of the prime foreign exchange earners, the government and textile producers should take various steps, including making immediate adjustments to new developments occurring in the world market.

Tunky also reported to the head of state on the development of domestic electronic industries. According to the minister, the export of electronic goods in 1993 reached a record high of 1.1 billion US dollars but the import of electronic components increased to 800 million US dollars in the same year. The electronic components included cathode ray tubes, special components of radios and tape recorders as well as capacitors, he said.

He said the government should encourage foreign electronic component manufacturers to relocate their plants in Indonesia as part of efforts to keep down the import of electronic components. The relocation of the electronic component industries in Indonesia would be successful if their products were bought by export-oriented companies, he said.

Laos

Khamtai Receives Visiting DPRK Delegation

BK1203124594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 12 Mar 94

[Text] Yesterday in Vientiane, Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central committee and prime minister, received a courtesy call from Hwang Chang-yop, Secretariat member of the Workers Party of Korea [WPK] Central Committee, and his delegation who are currently paying a four-day visit to Laos. During the call held in an atmosphere of friendship and goodwill, Khamtai Siphandon extended a warm welcome to the delegation, noting that the visit contributes to consolidating and building the party in each country and firmly advances and strengthens the existing ties of friendship between the parties. On his part, Kwang Chang-yop informed Khamtai Siphandon of the outcome of the earlier meeting between his delegation and the LPRP delegation. On behalf of the WPK, he expressed profound

gratitude to LPRP Central Committee Chairman and Prime Minister Khamtai Siphandon for according a warm welcome to the WPK delegation. He also hailed the achievements of the LPRP headed by Khamtai Siphandon in many fields, thereby allowing socioeconomic development in Laos to progress gradually.

Earlier on the morning of the same day, Kwang Chang-yop and his party visited the advanced party-state theoretical training school at Tha Ngon to meet and chat with the school management, staff officers, and students. They were warmly welcomed by Sileua Bounkham, member of the LPRP Central Committee and director of the school, and many staff members and students. At the school, Kwang Chang-yop discussed certain issues on the application of theories and the methods of consolidating and building the party in the DPRK, the party's roles and responsibilities, the leadership and guidance of President Kim Il-song, and the development of Kim Chong-il. He noted that to fulfill all tasks and objectives, the party must unite to take the country forward incessantly.

Conference Held With Thailand on Investment

Held in Vientiane 10-13 Mar

BK1203143294 Vientiane KPL in English 0914 GMT
12 Mar 94

[Text] Vientiane, March 12 (KPL)—A conference and an economic study tour under the theme "the Laos-Thailand Friendship Bridge: Economic and Investment Prospect in the Lao People's Democratic Republic" were held at the Lan Xang hotel between March 10-13.

Attending the conference were Phao Bounnaphon, minister and head of the Cabinet of the Prime Minister's Office, the visiting vice prime minister of the Kingdom of Thailand, Dr. Amnuai Wirawan, and over 200 Lao and Thai businessmen.

In his opening speech, Phao Bounnaphon said that the highest aim of the conference was to strengthen and develop the traditional ties of friendship and cooperation between Laos and Thailand and, at the same time, it would bring good understanding to businessmen about the favourable opportunities and environment as well as the policy on foreign investment promotion in the Lao PDR [People's Democratic Republic].

In his speech, Dr. Amnuai Wirawan highlighted the traditional ties of good neighbourliness which is now better promoted than at any other time. Through the current 12 permanent border check-points, the two countries share mutual benefit from trade at a significant amount each year.

The Thai vice prime minister hailed the good cooperation Thailand received from Laos in the area of infrastructure, particularly in energy, communications with regard to the friendship bridge, and the land, water and air transport to be developed in the future, and in other specific fields of communications.

Following Dr. Amnuai's, a number of Lao representatives of different ministries took turn to make observations to the conference. Among them were Somphong Mongkhonvilai, vice president of the Committee for Planning and Cooperation, who spoke of the new policy and the plan for the socioeconomic development of the Lao PDR; Leuan Sombounkhan, vice president of the Committee for Planning and Cooperation, on the policy on foreign investment promotion in the Lao PDR; Khammon Phonkeo, deputy-minister of industries-handicraft, on the plan for the development of mining industries and electricity energy of the Lao PDR; Himmakon Manotham, deputy minister of communications, transport, post, and construction, on the plan in communications, transport, and telecommunication of the Lao PDR; Sian Saphangthong, deputy minister of agriculture-forestry, on the plan for the development of agriculture, forestry and areas of agricultural industries of the Lao PDR; and Phonsouk Khounsombat, director of the National Tourism Authority of Laos, on the policy for the promotion of tourism and services of the Lao PDR.

Then it was followed by the observations on the availability of foreign investment in Laos, in particular the abundance in natural resources.

Officials List Incentives

BK1203141594 Bangkok THE NATION in English
12 Mar 94 p A2

[By Yindi Loetcharoenchok]

[Text] Lao leaders yesterday warmly welcomed investment from Thailand, saying the landlocked nation is blessed with abundant natural resources and economic potential which are awaiting development that would be of mutual benefit.

At a conference in Vientiane yesterday, senior members of the Lao government spelt out a range of incentives to attract foreign investment. They include foreign investment laws; customs and taxation; flexible rules and regulations; and a number of bilateral Lao-Thai economic and investment agreements, such as agreements on trade and on investment promotion and protection, as a basic guarantor to Thai investors.

While they expressed a strong desire to develop the country's natural resources to improve its ailing economy, they repeatedly stressed that Laos' arts and culture, ecology and environment will remain intact and well preserved.

The calls were made yesterday during a conference in Vientiane on "The Thai-Lao Friendship Bridge: Economic and Investment Prospects in the Lao PDR" which was organized by THE NATION ahead of the official opening of the Mittraphap bridge early next month. Lao PM's Office Minister Phao Bounnaphon inaugurated the conference while Thai Deputy Prime Minister Amnuai Wirawan gave a keynote speech on prospects for Lao-Thai economic cooperation.

Phao said his country of 4.4 million people is full of natural resources, and has stable political and social systems, which are conducive for foreign investment. He called on Thai business people to probe Laos' economic potential, especially in the fields of agriculture and forestry, industry and services for local and external needs. Laos' new market-oriented economic policy, he said, has received full support from the private and government sectors of friendly nations, especially Thailand which "has warmly extended its assistance and cooperation" to Laos.

Amnuai warned Thai businessmen and investors not to exploit the resources in Laos or other neighboring countries for short-term gains. He said traders and investors should always bear in mind the "philosophy of cooperation," which purports "mutual benefits" and "fairness in profit sharing" with host countries. He said the cooperation should provide "sufficient economic returns" to host countries including the transfer of technology and management know-how so that they will eventually stand on their own feet.

Lao-Thai cooperation will contribute and lead to broader sub-regional and regional economic cooperation, which is developing under the structure of the four northern Mekong-rim countries in the Quadrangle Economic Cooperation and the Association of the Southeast Asian Nations (ASEAN), Amnuai said.

He said he believed the opening of the Lao-Thai Friendship Bridge across the Mekong River by His Majesty the King on April 8 will set a new era of bilateral relations and cooperation.

About 250 people attended the conference yesterday at the Lan Xang Hotel, including 140 Thai businessmen and investors, about 30 representatives of the Lao private sector and officials from various key Laos economic ministries.

Among the Lao delegates were six deputy ministers from key economic ministries and offices who gave a broader perspective of Laos' economic and investment potential and outlined national foreign investment laws, incentives, rules and regulations.

Somphong Mongkhonvilai, vice president of the National Committee for Planning and Cooperation (CPC), discussed Laos' economic development plan towards the year 2000, while another CPC vice president Leuan Sombounkhan talked about national foreign investment policies.

Somphong said the new eight-year economic development plan was implemented in February 1993 with the objective of boosting the country's financial capital by developing its own natural resources in the fields of minerals, hydropower, tourism, agriculture and forestry, husbandry and human resources.

Rural development has been the government's priority in order to bridge the economic disparity and to distribute wealth to provide better living conditions and standards

around the country, he said. Vientiane has set an economic growth target of 7-8 per cent annually.

Leuan said Laos is open to investors from around the world, but that Thailand has an advantage due to its territorial proximity and racial and cultural similarities.

He acknowledged several shortcomings that have hindered economic growth, such as a shortage of capital markets, manpower, lack of economic expertise and technology, and poor management systems.

He described in detail an 11-point incentive program, which Vientiane has introduced to attract prospective investors. They include opening investment in all economic fields including human resources in the fields of academia, education and culture; protecting against nationalization; three different forms of investment, from contract agreements to joint ventures, or 100 percent foreign investment; full repatriation of personal and corporate assets; freedom from government intervention in investments; recruitment of foreign labor and human resources; repatriation of profits; and a certain period of relaxation of income and profit taxes and the establishment of a "one-stop service" to facilitate investments.

Four other Lao ministers gave a good perspective of investment in Laos. They stressed that Vientiane has pursued an economic policy of sustainable development for mutual benefits with the aim of protecting its culture, social structure, environment and ecology.

Official on Amendments to Laws

BK1203140694 Bangkok *THE NATION* in English
12 Mar 94 p A2

[By Marisa Chimprapha]

[Text] VIENTIANE—The Laotian National Assembly is considering changes in its laws to encourage foreign investment to the country. The assembly on Wednesday began a six-day meeting during which members will debate legal amendments approved recently by Cabinet, including a proposal to allow the setting up of an industrial estate. A senior Laotian official said yesterday the proposed amendments would provide more incentives for foreign investors in Laos, mostly Thais.

Proposed changes included allowing businessmen longer tenure on rented land. "Businessmen are authorized to transfer the rental right to a third party—which is not provided for in the present foreign investment law," he said. Businesses would not need to try to buy the land, because the lease period would be for up to 99 years, more than adequate for business planning. The amendments would also provide more protection for foreign investors.

It is proposed to establish an industrial estate, partly because Laotian authorities are understaffed and already hard-pressed to monitor the 40-odd foreign industries already operating in Laos. "To have them in the same location will make our work easier and will also be to their advantage as the government will certainly develop necessary infrastructure and facilities in the estate," he said.

The first industrial estate is expected to be developed about 30 kilometers north of Vientiane, on the way to Nam Ngum dam, if President Nouthak Phoumsavan announces approval. The official said the planned estate will not be located near Vientiane, to avoid polluting the capital.

Leuan Sombounkhan, vice president of the committee for planning and co-operation, told THE NATION that tax incentives would be given to businesses which locate in industrial estates.

The National Assembly conference is presided over by Saman Vi-gnaket, a member of the Lao People's Revolutionary Party central committee and president of the National Assembly. The opening was attended by Prime Minister Gen. Khamtai Siphandon President Nouthak and other Politburo members, National Assembly members and Cabinet members. In his opening address, Saman told the assembly the world situation could have both favorable and complicated effects on national development and security.

"The world's people, especially those of developing and less-developed countries, struggle to safeguard their political independence while focusing efforts on socio-economic development to improve living conditions," the official quoted Saman as saying.

In Southeast Asia the emerging trend was towards peace, stability and co-operation between nations, which would facilitate national development.

Article on Modernization Strategy

BK1403040494 Bangkok THE NATION in English
14 Mar 94 p A6

["Thai Talk" column by Suthichai Yun: "Laos sets its own timetable for change"]

[Text] Vientiane—"Laos is still listed as one of the most underdeveloped countries in the world. Our roads are bad. Our phone system doesn't work. Our flights are inadequate. But nature is on our side. That's why you should come in now or you may miss the bus..." This was not meant as a threat to Thai investors. Nor was it an overstatement about Laos' abundant opportunities. The senior Lao official was stressing to a group of about 150 Thai businessmen here over the weekend that this landlocked country of 4.3 million people is in a hurry to revise all its investment laws to attractive foreign investors. But the pace of jumping headlong into a free market economy will be determined by the Laotians, not foreign investors.

The new breed of Lao leaders, a mixture of French-educated intellectuals well exposed to the capitalist system and those with socialist training from the former Soviet Union who had fought the Americans from their caves in the northeast in the 1960s, is all set to embark on the path of modernization.

"We must face the facts. We don't have the technology. We don't have the capital. We don't have the management skills. We don't have the marketing experience. But we do have natural resources and the will to move ahead and

open our country open," intones one of the young leaders in charge of drawing up "Laos in the Year 2000."

The plan represents an ambitious attempt to put Laos on the world's economic map. But there have been hiccups. "Some critics say our development plans are too much like Thailand's. Well, all economic plans have to start somewhere, based on certain elementary factors. But I am sure that ours will not be exactly like Thailand's plan. For example, our rural development plan will be different. Ours will work—meaning that we won't allow the gap between the urban and rural areas to be as wide as that in Thailand," another senior official says.

The tone of self-confidence is unmistakable. So is the keen awareness to avoid Thailand's blunder of allowing a single foreign country to dominate its economic landscape. In this connection, the traditional love-hate relationship between Thailand and Laos has been invoked, albeit very subtly, by local critics here, in the wake of the onslaught of Thai investments pouring into Laos in the past few years.

Thailand's investments in Laos now stand at 47 per cent, the single biggest in this category. And the pattern is changing dramatically—from small traders moving goods across the Mekong River to multinational firms based in Thailand winning major contracts in construction, mining, forestry, finance and all facets of the economy.

The Thai presence is overwhelming. Anti-Thai feelings may not have surfaced in any significant degree just yet. But the danger has been lurking. As a Thai academic who took part in a seminar here on "Thai-Lao Bridge: Economic and Investment Prospects in Laos" organized by Nation Publishing Group suggested:

"I can't help but look back 20 years and find a very close resemblance of how Japan came into Thailand as the biggest single foreign investor. We wanted Japan's capital and technology. But we didn't like the way they behaved towards us. We were against the Japanese but deep inside we envied their success as an economic power. That's what's happening in Vientiane when we talk about Thai investors in Laos..."

In private conversations, Laotian leaders would readily admit that attempts are being made to preempt such negative side-effects in the wake of their vigorous push to race against time to build up its economic infrastructure. Inevitably, Thailand, with clear advantages over other countries in this respect, has become the first to ride the wave of foreign investments in this country.

"We must face the facts. Whether we like it or not, we will have to deal with the Thais, yesterday, today or tomorrow. There is no escaping the fact that we are close neighbours and Thailand is further advanced than Laos and once we open the gate it is only natural that our big and rich neighbours would be the first to knock at our door. That's why our initial efforts will be to accommodate Thai investors, the good ones of course," said another senior official responsible for attracting foreign investors into Laos.

Some "bad investors" have been punished and ostracised. But "good investors" aren't easy to come by. They tend to be more demanding, posing tough questions and seeking guarantees on investment that the Laotian authorities aren't quite ready yet to offer in clear terms. The bad guys would come in on any terms, hoping to earn a quick buck, exploiting Laos' resources to the hilt but the real, solid ones are more cautious, waiting in the wings, weighing the pros and cons to decide whether to spend the same amount of money in Laos or Vietnam or Cambodia. The choice is never easy considering the varying degrees of uncertainty in all the three Indochinese countries.

But some "big names" from Thailand have arrived, waving their drafts of MoUs, or "Memorandums of Understanding", as a way to test the waters. Thai banks have made inroads in Vientiane and Thai construction companies have lobbied hard to win contracts through some complicated rules which require both a good understanding of how things are done and who to talk to before gaining entry into the game.

"Everything is negotiable," declared a top Laotian official in charge of drawing up the ground rules for foreign investors, responding to the growing complaints from Thai businessmen about unclear laws and regulations on a number of areas of investments.

The pledge to apply flexibility in all areas might have come as good news to some. But the same statement also spells chaos and disorder. "If everything can be discussed, it also means that what applies today may not apply the following day or vice versa," a Thai trader says.

The teething problems will be there for sometime. But one should not interpret the new sense of compromise as a gesture of weakness. The fierce sense of political independence which has been the hallmark of Laos' political philosophy through the Cold War remains as strong as ever. Any adjustments in its political structure will only come very slowly and after very careful consideration.

"We are quite convinced that our present political structure of a one-party system is ideal for us. But changes will come if we consider them appropriate. For example, our parliament, which used to be a very quiet and inactive body, has lately been activated. House debates are a common theme and newspapers in Laos now have become more critical about issues that affect the country..." the same official says.

The wind of change has arrived but this tiny country of calm and restraint appears determined to proceed at its own pace and with its own style. If Laos appeared to have picked up speed in recent years, that was only because Laos wants to make sure that it is not left far too much behind.

As one local resident told me: "We have been left behind for so long that we have to run very fast indeed just to remain where we are..."

Thailand

Prasong on U.S. Sanctions Against Thai Firms

BK1103152694 Bangkok Radio Thailand Network in Thai 1200 GMT 11 Mar 94

[Text] Foreign Minister Squadron Leader Prasong Sunsiri was asked about a report that the Khmer Rouge had forced Thai gem-miners out of Cambodia. He said that there has been no information to that effect given to the Foreign Ministry and he would like to check the accuracy of the report before answering newsmen. However, he said that it is the policy of the Thai Government that no Thai workers engage in trade with the Khmer Rouge. He noted that from what happened in the past, the Khmer Rouge provided facilities for Thai residents.

Asked about U.S. sanctions against three Thai companies with workers in Libya, he said the United States claimed that the three companies were helping Libya set up a chemical weapons production plant. The foreign minister said that U.S. ambassador to Thailand David Lambertson had already met and consulted with him on the matter. Prasong said the ambassador confirmed that the sanctions were against the three companies only and do not apply to other Thai companies or the Thai people.

Aviation Talks With United States Previewed

BK1403051094 Bangkok BANGKOK POST in English 14 Mar 94 p 17

[Text] Thailand and the United States are scheduled to resume negotiations on aviation rights in Washington on April 5-6, Thai Airways International [THAI] president Thamnun Wangli said at the weekend. This is considered the first move after a four-year impasse during which there has been no formal agreement.

The Thai delegation will be led by Mahidon Chantharangkun, permanent secretary of the Ministry of Transport and Communication; Sisuk Chantharangsue, director-general of the Civil Aviation Department, and Mr Thamnun along with THAI marketing and corporate planning staff.

Mr Thamnun declined to reveal the Thai position in the negotiations.

Currently THAI flies to the US four times, Bangkok to Los Angeles. US airlines Delta, Northwest and United operate a total of 21 flights a week to Bangkok. Flight routing and capacity levels are still at 1991 levels despite significant economic changes in the region.

Mr Thamnun said THAI had no plan to increase flights to the US in the short term, especially this summer while it tries to expand domestic service and develop other new routes.

An informed source in the Ministry of Transport and Communication said the US wants to increase flights to Bangkok now that the embargo against Vietnam has been

lifted. Washington expects a lot more US tourists and businesspeople will want to travel to Vietnam via Bangkok.

As well, American Airlines is eying the Southeast Asia market, into which it wants to expand in a big way. The conflict began in 1990 with a difference of opinion between Thailand and the US on allocating a reasonable number of flights between the two countries. Washington supports an "open skies" approach in which US carriers can freely increase the volume of passengers and cargo to Thailand. Thailand believes in the principle of "capacity predetermination".

THAI believes "open skies" will hurt Thailand, because the US has more capacity to accommodate vast numbers of passengers and cargo on its many airlines.

The US-Thailand route is considered very lucrative since it includes significant stopover points such as Tokyo, Taipei and Seoul.

Executive: Super 301 Not To Affect Country

*BK1203150594 Bangkok BANGKOK POST in English
12 Mar 94 p 22*

[Text] Imposition of US Super 301 trade measures on Japan will not affect Thai exports, according to CP [Charoen Phokphan] Inter-trade Group deputy managing director Phonsin Phacharintanakun. Mr. Phonsin said the law, which is not concerned with Thai industrial products, will take a long time to come into effect.

Thai products exported to Japan are primarily semi-processed goods or raw materials which are subsequently used to produce other exports for the U.S. He said imposition of the law contradicts the GATT agreement which will come into effect in 1995.

He believes there is ample time for the U.S. to resolve the conflict. The move is considered to be a political gesture after negotiations hit a snag. In the short run, Thailand does not have to adjust its export and international trade strategies, he said. But the Government and the private sector should follow development of the issue closely.

He agreed with the move by the Committee on Raising Thailand's Competitiveness, which is chaired by Deputy Prime Minister Suphachai Phanitchapak, to determine the country's long-term trade strategies.

U.S Charge on Aid to KR Generates Controversy

Prasong Denies U.S. Charge

*BK1103144394 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 11 Mar 94*

[Text] The foreign minister has reiterated that the Thai Government has no relations with the Khmer Rouge [KR] as charged by the United States ambassador to Thailand.

Commenting on the statement of the U.S. ambassador at a Foreign Correspondents Club of Thailand dinner that the Thai Government still maintained ties with the Khmer

Rouge, which continue to wage battles with the Cambodian Government, Foreign Minister Squadron Leader Prasong Sunsiri said he has already explained to the ambassador that the Thai Government only maintains diplomatic ties with Cambodia's legitimate government. The Thai Government has moreover complied with the UN resolution banning border trading with the Khmer Rouge. He said if there are any more comments to that effect, he will invite that person to check the situation at the place itself. However, he added, the Cambodian Government has not declared the Khmer Rouge faction as outlaws.

Prasong, Army View U.S. Charges

*BK1203090694 Bangkok BANGKOK POST in English
12 Mar 94 p 1*

[Text] U.S. Ambassador David Lambertson's remarks on Thailand's alleged ongoing contacts with the Khmer Rouge have irked the Foreign Ministry and the Army. Foreign Minister Prasong Sunsiri yesterday expressed "surprise" that the envoy had chosen to go public with his remarks instead of conveying his message directly to him when they met on Monday. While refusing to comment directly on Mr. Lambertson's statement, Army Chief Gen. Wimon Wongwanit said he felt "deeply bitter" after hearing the accusation.

The sour reaction by Mr. Prasong and Gen. Wimon was sparked by Ambassador Lambertson's speech at the Foreign Correspondents' Club of Thailand on Thursday night, when he expressed concern over the alleged ongoing cross-border contacts between Thailand and the Khmer Rouge, saying the U.S. wanted the Khmer Rouge to be isolated. The U.S. envoy also questioned the implementation of Thailand's policy which "has at times been less than clear."

Foreign Minister Prasong conceded that cross-border contacts with the Khmer Rouge continued due to the close relations between Thais and members of the Khmer Rouge which were forged a long time ago. But he insisted that the contacts had nothing to do with the Government because Thailand had sealed the border and banned trade with the guerrilla faction in accordance with a resolution of the United Nations Security Council.

"We honored the resolution of the United Nations Security Council," Sqn. Ldr. Prasong reiterated. "But the fact that the Khmer Rouge have maintained contacts with people in the area is due to their relations from the past," he added. The UN Security Council issued a resolution early last year requiring countries neighboring Cambodia [to] close the border and stop trading with the Khmer Rouge. The Foreign Minister said he was surprised as to why the U.S. envoy did not raise his concerns over the border contacts with him when the two met at the Foreign Ministry on Monday.

Mr. Lambertson accompanied Assistant Secretary of State for Human Rights and Humanitarian Affairs John Shattuck on a visit to the Foreign Ministry.

Sqn. Ldr. Prasong seemed to be furious at complaints filed by other countries that Thailand maintains contacts with the guerrilla faction, so much so that he raised the matter with Australian Ambassador to Thailand John McCarthy, who called on him yesterday. The Foreign Minister even challenged those who made the allegation to visit the border with him to clarify their suspicions. "From now I will invite any individual or groups who make allegations against Thailand to inspect the border with me so they can see the facts with their own eyes," he said. Sqn. Ldr. Prasong said the Khmer Rouge has not been outlawed and continues to have contact with the Cambodian government.

Gen. Wimon said the allegation that the Thai military was still backing the Khmer Rouge made him feel bitter. Gen. Wimon said the allegation, though incorrect, was accepted as the truth by a number of people who did not know any better. "We have to have faith in Thai people and the army by not believing the allegations made by other countries," said the 59-year old commander.

The army commander made the comment while in Lop Buri Province, where he inspected an army exercise conducted by the 2nd Cavalry Division in Phatthana Nikhom District. "We feel deeply bitter over such an allegation," the army commander said. Gen. Wimon said the Thai army had lost a large number of soldiers while doing their duties along the Thai-Cambodian border.

The last incident occurred early this week when a new army officer who just graduated from the Chunlachomklao Military Academy died when Khmer Rouge guerrillas and Phnom Penh forces fought a brief battle on Thai territory. He said the army officer died when he stepped on a booby-trap planted near the border. "This young officer died as a result of fighting between the two Khmer groups," said Gen. Wimon. "They (Cambodians) have caused a lot of suffering to us," said the commander. He said that the army would adopt stiffer military measures to deal with the problem along the border area.

Commenting on US Ambassador David Lambertson's statement expressing concern that the Thai military still had contact with the Khmer Rouge, Gen. Wimon refused to be drawn into an argument. He urged reporters to raise the question instead with Ambassador Lambertson who made the allegation.

A colonel attached to the Army Secretary said the army would not comment on the ambassador's statement, saying that it was the duty of the Foreign Ministry. The officer admitted that a number of senior army officers were surprised to learn of the ambassador's comments. They said they found it hard to believe that he would actually make such a statement.

Prasong Cites Ranariddh, Hun Sen

BK1203135294 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 12 Mar 94

[Text] During their two-hour stopover at Don Muang Airport on the way home from Japan, Cambodian Co-prime Ministers Samdech Norodom Ranariddh and Hun

Sen held talks with Foreign Minister Squadron Leader Prasong Sunsiri on various issues including the international conference on the reconstruction of Cambodia held recently in Japan.

After the meeting, Foreign Minister Squadron Leader Prasong Sunsiri said the two Cambodian leaders rejected the report on Thailand's support for the Khmer Rouge [KR]. They said the report was unreliable and released by Cambodians who did not hold important positions and that the Cambodian Government has warned them against spreading such accusations. The foreign minister said Thailand still adheres to the policy of noninvolvement with the Khmer Rouge and supports the elected government. The Foreign Minister Squadron Leader Prasong Sunsiri said:

[Begin Prasong recording] I would like to reaffirm that this government supports the elected government of Cambodia and not any other faction. I stressed this stand during my meeting with the two prime ministers and told them that Thailand is willing to support their elected government in the reconstruction of Cambodia as before. We spoke frankly to each other. [end recording]

Army Chief Denies Support

BK1203094294 Bangkok THE NATION in English 12 Mar 94 p A5

[Text] Army Commander in Chief Gen. Wimon Wongwanit yesterday vowed to take tough action against Khmer guerrillas if they trespassed on Thai soil if the government gives the go-ahead. Wimon said people should not believe that the Army was still supporting the Khmer Rouge. "Thai people should believe that the Thai Army is not involved in the fighting between Cambodia's rival factions. They should understand that the Army would never support the Khmer Rouge," he said.

Wimon said many Thai soldiers had lost their lives helping to clear land mines planted by Cambodian factions along the border. "It's not worth it losing (our soldiers). If the government agrees with the Army to push back Cambodian intruders, we will be ready to use tough measures against them." The Thai military has complained that spillover of battles in Cambodia into Thailand has become common. But the Thai soldiers have refrained from drastic action.

Asked if he would talk with the Cambodian government about the issue, Wimon said he had nothing to talk about anymore. "I'll adopt a tougher stance against (Cambodian soldiers who intrude into Thai territory)," he said.

American Ambassador to Thailand David Lambertson said recently he wanted to see the Khmer Rouge cut off. He said the government's policy on this was very clear but implementation of that policy at times was not. "Whether and to what degree the old relationship between the Thai military and the Khmer Rouge is still being maintained has been a continuing concern of the United States," Lambertson said.

Cambodian General Khin Yean said in Kon Kreal on Sunday that the Thai military had "helped fresh Khmer Rouge troops come through Thai soil from Pailin".

Foreign Minister Prasong Sunsiri yesterday reaffirmed that Thailand's policy toward the Khmer Rouge closely followed the 1993 UN Security Council resolution. Responding to Lambertson's comments on Thailand's continued cross-border contacts with the Khmer Rouge, he said the country had sealed off border crossing points and stopped border trade with the Marxist group.

Army Chief Criticizes Envoy

BK1303090694 Bangkok *THE SUNDAY POST* in English 13 Mar 94 pp 1, 3

[Excerpt] Army Commander-in-Chief Gen. Wimon Wongwanit yesterday emotionally reminded U.S. Ambassador David Lambertson that Thailand was a sovereign state and it was totally unacceptable for any foreigner to make groundless accusations against her. "The Foreign Ministry will not give in to any condemnation which is totally groundless. I consider that we are a sovereign nation and no one has the right to condemn us like this," said the army commander. He was speaking after presiding over a funeral ceremony at Wat Sommanatwihan of an army officer killed by a Khmer landmine at the border in Ubon Ratchathani.

The army commander made the remark after being asked by reporters to comment on Mr. Lambertson's statement on Wednesday about Thai military contacts with the Khmer Rouge. Gen. Wimon, however, said that the U.S. embassy here has clarified the ambassador's statement and denied the press report which quoted the ambassador as saying that the Thai military was still backing the Khmer Rouge.

Gen. Wimon said if a statement is made by an ambassador it must hold some truth. "The U.S. ambassador denied that he made such an allegation. I don't know how the press could go ahead and publish it when he (the U.S. ambassador) said he did not make the allegation," said Gen. Wimon.

Asked about Ambassador Lambertson's call asking the military to sever its contacts with the Communist Khmer Rouge, Gen. Wimon asked reporters whether the U.S. Government could bar Mexicans from crossing the U.S.-Mexico border. "Can they do that? It could not be done as the common border is quite long. I'm a Thai and have dignity and would not allow anyone to criticize us without a basis. We have our own dignity," said the army commander.

Gen. Wimon said he feels bitter whenever he learns that Thai people have started believing in allegations made by foreigners. He said despite making it clear on several occasions on the neutrality of the Thai military over the conflict in Cambodia, outsiders have not stopped making such allegations against the Thai military. "If you reporters don't believe in what I say then it's time you stopped asking me any more questions," said the general.

When asked to comment on the border situation along the Khmer Rouge stronghold in Pailin concerning reports that Phnom Penh was rushing reinforcements to the area in preparation for a new offensive, Gen. Wimon quipped: "Ask the U.S. ambassador. He might be able to comment."

Meanwhile, Army secretary Maj. Gen. Chaturit Phromsakha Na Sakonnakhon also said that the U.S. ambassador had clarified the matter with the army over his remarks. Maj. Gen. Chaturit said the ambassador denied press reports quoting him as saying that the military is still backing the Khmer Rouge guerrillas. "That is not true," said Maj. Gen. Chaturit. "The U.S. government does not believe that the Thai Government or the Thai military still backs the Khmer Rouge."

He said the misquoted report dispatched by some foreign news agencies could cause a misunderstanding and tarnish the country's image. [passage omitted]

KR 'Should Be Allowed To Perish'

BK1303093394 Bangkok *THE NATION* in English 13 Mar 94 p A10

[Editorial: "Time To Show the World the KR Have Been Cut Off"]

[Excerpts] With Vietnam's huge army pressing against the border, the Thai government's decision in 1979 to join the international effort to resuscitate the Khmer Rouge seemed like prudent thinking. The radical group had the world's reluctant backing and while Bangkok was aware of the Mao-inspired madness that had gripped Cambodia over the previous three years, the decision to help the group was justifiable in the service of Thailand's national interest. [passage omitted]

The Khmer Rouge which boycotted the election continues to wage war against the internationally-recognized government in Phnom Penh and most of the world still believes they are receiving support from venal Thai generals. [passage omitted]

Part of Thailand's image problem stems from the way the international press covered the Cambodian election. While the Khmer Rouge were belligerent and uncooperative, refusing to take part in the election, massacring ethnic Vietnamese and holding UN officials hostage, they were for the most part a sideshow. The real story was the murderous war the Cambodian People's Party was waging against Funcinpec. Nevertheless, foreign audiences, who for the most part had been introduced to the Cambodia tragedy by the 1984 movie "The Killing Fields", seemed to only want to know about the Khmer Rouge.

The result was acutely embarrassing for Thailand. The military's support for the Khmer Rouge, which had been an open secret in Southeast Asia for more than 10 years, was dredged up and examined for international consumption. The close business links, the Khmer Rouge safe houses, border sanctuaries, the rapacious logging and gem

mining operations, it all came out and did little to support Thai claims that it was working for peace in Cambodia. [passage omitted]

The issue was rekindled once again on Wednesday when U.S. Ambassador to Thailand David Lambertson bluntly said Washington wants "the Khmer Rouge to be cut off." The envoy noted that the policy of the Thai government was very clear but, citing the massive arms cache found near the border in December, said the "implementation of that policy has been less than clear"

Lambertson's comments provoked furious denials from the Foreign Ministry but it seems unlikely the noises coming out of Bangkok are going to alter the world's perception of its relationship with the Khmer Rouge—at least as long as well-founded reports continue to come out of Cambodia of cross border incursions. In the coming days, many observers expect the Cambodian army to launch a fierce assault on the Khmer Rouge's main base at Pailin, which sits across the Thai border.

The timber and gem-rich district is the main commercial center for the rebels. And for many observers it also typifies the uncomfortably cosy relationship between Thai businessmen, the Khmer Rouge and Thai military officers who oversee the border area. Army chief Gen. Wimon Wongwanit has vowed to repulse any Khmer Rouge intrusions that result from the offensive if the government gives its approval. His approach is the correct one. While it is not a Thai fight, the Khmer Rouge have served their purpose as far as Thailand is concerned. They refuse to discuss peace and their presence along the border has resulted in the death and maiming of Thai villagers. Thailand helped revive the Khmer Rouge once, this time they should be allowed to perish if that is to be the order of things in Cambodia.

Chuan, Business Delegation To Visit Vietnam

BK1203080494 Bangkok XING XIAN RIBAO in Chinese 12 Mar 94 p 12

[Text] Government Spokesman Aphisit Wetchachiwa reported that Prime Minister Chuan Likphai will lead a delegation for an official visit to Vietnam from 16 and 19 March. The visit is aimed at strengthening contacts with Vietnamese leaders and promoting Thai-Vietnamese friendship as well as economic, trade, and investment cooperation. Prime Minister Chuan will also ask Vietnam to assure Thai investors and entrepreneurs about the implementation of its policy.

The Prime Minister and his delegation will board a special plane at 0830 on 16 March and arrive in Hanoi at 1010. While in Hanoi, He is scheduled to call on Vietnamese President Le Duc Anh and Do Muoi, general secretary of the Communist Party of Vietnam. He will also hold official talks with Vietnamese Prime Minister Vo Van Kiet and will also preside over a seminar on investment held by the Thai and Vietnamese boards of investment.

Besides Hanoi, the Prime Minister and his delegation will travel to Hue City to visit the ancient palace and the

Nguyen Dynasty Museum. He will also meet Thai businessmen in Ho Chi Minh City.

The Prime Minister's entourage will include Deputy Prime Minister Amnuai Wirawan, Foreign Minister Squadron Leader Prasong Sunsiri, Defense Minister General Wicht Sukmak, Minister Attached to the Prime Minister's Office Sawit Phothiwhok, Deputy Finance Minister Trairong Suwannakhiri, Deputy Commerce Minister Chaiyot Sasomsap, and Deputy Industry Minister Phonthep Techaphaibun. The delegation will also include private businessmen such as Wichian Techaphaibun, vice chairman of the Board of Trade; Chokchai Atsonnan, chairman of the Federation of Thai Industries; Som Chatusiphithak, chairman of the Thai Bankers' Association; the chairman of the Thai Hotels and Tourism Association; and the chairman of the Thai Fisheries Association.

Several agreements will be signed during the visit including a tourism cooperation agreement and other cooperation agreements between members of the private sector of the two countries.

Editorial Terms Burma Joining ASEAN 'Disgrace'

BK1303123294 Bangkok THE SUNDAY POST in English 13 Mar 94 p 22

[Editorial: "A Sad Day for Burmese Democracy Movement and Its People"]

[Excerpts] The United Nations in Geneva last week accused Burma's military government of persistent and extremely serious human rights violations, including torture and summary execution. [passage omitted]

But that's UN business. Apparently it is of no concern to ASEAN. ASEAN's main fixation with the illegitimate pariah regime in Rangoon is the abundance of wealth it is sitting on, and how to exploit those riches. How the Burmese generals run their country is their own "internal affair".

So after months of debate and soul-searching, ASEAN, comprising Thailand, Singapore, Malaysia, Indonesia, the Philippines and Brunei, has decided to invite Burma, for that country's well-being and as well as theirs, to attend its annual pow-wow in Bangkok in July as guest of the host nation.

We wonder though if the remaining five member nations would have done the same had one of them been the host of this year's meeting and thereby risked criticism by most Western governments which shun the brutal military regime in Rangoon. [passage omitted]

Another question is why Thailand, why this government, a democratically elected one, chose to ignore the exhortations of the media, its academics and most in the intellectual community to scrap its controversial "constructive engagement" policy with a regime hated by its people for its ruthless and arbitrary rule? As a democratic government it owes its allegiance first to its people. Not to a certain group of people with vested interests, and certainly

not to a foreign government and a dictatorial one at that. This Government came into being after a bloody uprising less than two years ago in exchange for human lives and an end to military dictatorship. Yet today we are consorting with a regime and shaking a hand which is soaked with the blood of more than 3,000 of its own people who were killed in the 1988 suppression.

This Government justifies its association with the Burmese generals saying there can be no political development until economic stability has been restored to that country. And without economic stability there could be no security in Burma and Southeast Asia as a whole. To achieve this aim, its policy and those of its ASEAN counterparts is not to isolate Burma, instead to embrace it with open arms into the ASEAN fold with the hope of coaxing it into establishing democratic rule.

We believe this is a pipe dream on the part of ASEAN where the Burmese military government is concerned. Because without political stability there can be no economic stability, and therefore no security. They go hand in hand. Thailand should know that best. Like a leopard that never changes its spots, so are the rulers of Rangoon who call themselves the State Law and Restoration Council [SLORC]. It is convinced that might is right and the military is the government, and not the people. But not so to the 42 million Burmese who were robbed of a democratically-elected government in the May 1990 election.

If ASEAN, and Thailand in particular, really aspires to see a secure Southeast Asia, it should tell Maj. Gen. Khin Nyunt and his cronies to return what they have robbed from the Burmese people. Tell them the days of military dictatorship are over. As the former premier of the once military-ruled Thailand in 1991 said "Military might alone is no longer an adequate guarantee of national security.... No nation can feel secure as long as its citizens are deprived of the freedom of political expression and of the opportunities for a better and more meaningful life." [passage omitted]

ASEAN's invitation to SLORC is a disgrace. It will impact negatively on the Burmese democracy movement and Burma's oppressed populace.

Vietnam

Western Spiritual, Cultural 'Pollution' Decried

BK1403082494 Hong Kong AFP in English 0812 GMT
14 Mar 94

[Text] HANOI, March 14 (AFP)—The Vietnamese authorities sounded an anxious new warning Monday about Western influence, with editorials declaring the communist regime must not be destabilized by "Western spiritual and cultural pollution."

The editorials have been stepped up since the lifting of the U.S. economic embargo on Vietnam earlier this year.

In the latest commentaries, both the party and military newspapers called on Vietnamese to make "the irreversible

choice" toward socialism, taking into account "the thoughts of Ho Chi Minh" during this period of opening.

The Cold War language since the embargo was lifted earlier this year betrays the government's suspicions of Western influence, as increasing numbers [of] Americans have begun arriving in the country to do business, analysts say.

Following closely the actions of its neighbour China, which has been facing US pressure on human rights, Vietnam is emphasizing the primary importance of political stability, and rejects "interference in its internal affairs."

"The Vietnamese people recognize the leading role of the party, support political stability as helpful to doing business, and recognize that pluralism and a multiparty system are potential causes of social problems," the SAIGON GIAI PHONG (FREE SAIGON) daily wrote.

The leadership is particularly wary of the return of some of the one million "Viet Kieu," or overseas Vietnamese who fled to the United States after the fall of Saigon in 1975.

The leaders are eager for the money and business know-how the returnees would bring, but not the political and cultural influences picked up during years in the West, well-placed sources said.

The other threat to the regime, the sources said, comes from inside Vietnam itself in the form of Catholic and Buddhist dissidents, other intellectuals, and disgraced former party or military members.

The Vietnamese leadership now enjoys less ideological support abroad for its orthodoxy, with only Laos and Cuba left in the traditional communist camp.

Cuban Foreign Minister Roberto Robaina arrives for a visit next week.

Agreement With Vatican on Decisionmaking Noted

BK1403143694 Hanoi VNA in English 1402 GMT
14 Mar 94

[Text] Hanoi VNA March 14—Vatican Deputy Secretary of State Monsignor Claudio Celli left here yesterday ending a week-long working visit to Vietnam.

While in Vietnam, the Vatican representative held talks with Mr. Vu Quang, head of the government Commission for Religious Affairs. The two sides agreed that the Holy See will inform the Vietnamese Government of all issues relating to Vietnam Catholic Church and will make decision once the Vietnamese Government agrees.

The Vatican representative met with members of the Standing Committee of the Vietnam Episcopal, visited churches in Hanoi, Bac Ninh, Nha Trang, and Da Nang.

The Vatican guest was also received by Deputy Foreign Minister Nguyen Dy Nien.

France's Mitterrand Receives Vice President*BK1103152494 Hanoi VNA in English 1505 GMT
11 Mar 94*

[Text] Hanoi VNA March 11—Vice President Nguyen Thi Binh was received by President Francois Mitterrand on March 9 on her stop-over in France on the way home from Africa tour.

Speaking to his guest, the French president stressed that France will encourage and create favourable condition for its businessmen to increase investment in and expand trade activities with Vietnam, and assist Vietnam in personnel training with a view to meeting the demand on economic and administrative management. He also expressed his belief that the multi-faceted relations between the two countries will further develop in the two countries' interest.

For her part Ms. Binh pointed out to the Vietnam's efforts in further promoting the relations between the two countries in all fields. Vietnam and France have mutual benefit in consolidating peace, stability in the region and on the world, Ms. Binh said.

While in France, Vice President Nguyen Thi Binh met with Minister of Foreign Affairs Alain Juppe and Minister of Culture and French Language Jacques Toubon. The two ministers intended that in their coming visit to Vietnam, they will review wholly the cooperation situation between the two countries and discussed the possibilities to help Vietnam in the fields of building infrastructure, training personnel, and to cooperate with Vietnam in culture, science and technology.

On this occasion, Vice President Nguyen Thi Binh called at the headquarter of the Central Committee of the French Communist Party and talked with the general secretary of the party Robert Wue.

UK Donates \$1.9 Million to Returnees Fund*BK1203094594 Hanoi VNA in English 0525 GMT
12 Mar 94*

[Text] Hanoi VNA March 12.—The British Government has decided to contribute a further USD [U.S. dollars] 1.9 million to the European Community International Programme (ECIP) for the reintegration of Vietnamese boat-people who have returned from camps in the region, says a press release made available here by the British Embassy.

Seventy percent of the money will go into the very popular ECIP credit scheme which benefits ordinary people and repatriates as well as those who wish to borrow money to start small businesses. The rest will go into microprojects to improve the living standard in areas heavily affected by economic migration.

The decision reinforces the UK's position as the largest single national donor to the ECIP and takes the total British contribution to almost USD 10 million, not including the standard contribution which the UK pays automatically as a member of the EC.

Commenting on this event, British Ambassador to Vietnam Peter Williams said: 'This additional sum underlines the UK's commitment to real cooperation with the Vietnamese Government in solving the tragic humanitarian problem of boatpeople in Hong Kong and elsewhere in the region. We believe that the ECIP offers the best possible source of assistance for returnees and for local authorities who have to reintegrate them into society. I hope that as many migrants as possible will understand this and avail themselves of the benefits of the ECIP by returning before the end of the programme in November.'

Dutch Foreign Minister Holds News Conference*BK1203084494 Hanoi Voice of Vietnam in English
1000 GMT 12 Mar 94*

[Text] On Friday, the Dutch foreign minister called a press conference in Hanoi to review the results of his visit. He said the reopening of the Netherlands Embassy as well as his visit were indications that the Netherlands has an increasing interest in what going on in Vietnam.

He said the policy of doi moi [renovation] has contributed to the economic development of Vietnam which now has an economic growth of 7.2 percent with inflation under control. He said the Netherlands is not only interested in economic, but also in political relations, and in the fields of technology, science, and culture. The Dutch foreign minister said his visit was to identify issues of common concern. Water management is high on the cooperation program which is a field the Netherlands is highly specialized and experienced in.

Concludes Visit, Departs 11 Mar*BK1103145594 Hanoi VNA in English 1443 GMT
11 Mar 94*

[Text] Hanoi VNA March 11—Dutch Foreign Minister Pieter Kooijmans and his wife left here this morning ending their three-day visit to Vietnam.

He was seen off by Deputy Foreign Minister Nguyen Dy Nien.

Before leaving, the Dutch foreign minister held a press conference on the results of his visit which, he said, is a fine opportunity to promote the friendly and cooperative relations between the two countries.

While in Vietnam, the Dutch diplomat was received by Prime Minister Vo Van Kiet. He affirmed that the Dutch Government is willing to seriously consider Vietnam's proposals on cooperation development in the future. Dutch businessmen have been interested in developing cooperation with Vietnam in many fields, especially industrialization, agriculture modernization, education, public health, and environment in small and medium scale, Mr. Pieter Kooijmans added.

Speaking to his guest Prime Minister Vo Van Kiet stressed that the Vietnamese Government welcomed Dutch businessmen, from both private and state-owned enterprises, to Vietnam for cooperation, especially in the fields of

agricultural product and food processing, oil and gas exploration and exploitation.

Vu Khoan Attends Consultative Meeting in Manila

*BK1203075094 Hanoi VNA in English 1446 GMT
12 Mar 94*

[Text] Hanoi VNA March 12—The Third Annual Vietnam-Philippines Consultative Meeting was held on March 10-11 in Manila, the Philippines. The Vietnamese delegation led by Deputy Foreign Minister Vu Khoan had working sessions with the Philippine delegation led by its counterpart Rodofer Severino. The Vietnamese delegation was received yesterday by the host Foreign Secretary Roberto Romulo. At the meeting the two sides discussed international and regional issues of common concern. They also exchanged their opinions on measures to promote and expand cooperation in the fields of trade, economy, and tourism. Their discussion was focussed on preparations for President Fidel Ramos' visit to Vietnam at the end of this month.

The meeting was conducted in an atmosphere of friendship and mutual understanding. Vietnamese ambassador to the Philippines Vu Quang Diem was also on hand.

Thailand's Chuan Proposes Fisheries Committee

*BK1403045694 Bangkok THE NATION in English
14 Mar 94 p A1*

[Text] Ho Chi Minh City—Thailand will seek a response from Vietnam on the proposed formation of a joint sub-committee on fisheries during Prime Minister Chuan Likphai's visit on Wednesday, according to Bangkok's ambassador to Vietnam, Bunthan Manklang.

"We want a correct channel to solve the fishing problem with Vietnam," Bunthan told THE NATION.

Vietnam has always insisted there must be an end to poaching and violation of its waters by Thai fishermen before there can be any cooperation on joint fisheries development.

Since the beginning of this year, Vietnamese authorities in Soc Trang Province have seized 11 Thai fishing boats and 67 crew members on charges of violating their waters. Three trawlers and 17 crew were freed after paying heavy fines last month. Last year, at least 80 Thai trawlers and 788 crew were seized by the Vietnamese.

The ambassador said he believes the two countries will eventually agree on a solution to the fishing issue, but it may take time. The two sides have mutual interests to share, he said.

"The fishing industry cannot survive without cooperation," said Bunthan, referring to Thai expertise in fishing technology and the abundant fish resources of Vietnam.

On Jan 25, Prime Minister Vo Van Kiet ordered that all fishing licences given to foreign companies be revoked within three months to allow the Ministry of Aquatic Resources to review the fishing sector.

Ministry of Fisheries deputy chief of cabinet Nguyen Trong Binh said some of the agreements had been violated and others were unsuccessful. But Binh did not say the violators were all Thais.

Binh said some companies kept parts of the catch to sell back home and others trawled in waters reserved for local fishermen.

"We want all foreign fishermen to respect the law... otherwise we cannot allow them to continue in business," he said.

Affected by the order were four Thai fishing companies: Hoc-Thepnarong and Thai Phochana in Minh Hai, Surat Canning in Kian Giang, and Sirichai in Vung Tao.

An informed source said Thai fishing companies in Vietnam hope to continue in business despite the revocation of their licences. Their prime concern is how to recover the millions of baht they have already invested.

"There is no clear answer from the Vietnamese side so far on what criteria they will use to liquidate the assets put into the deal," said the source, who asked not to be named.

It is very difficult to clear the assets as in most joint ventures the Thais put capital into offices, vessels and other facilities and the Vietnamese invest in land.

Vo Van Kiet Issues Directives on Rice Export

*BK1203162194 Hanoi Voice of Vietnam Network in
Vietnamese 2300 GMT 11 Mar 94*

[Text] Recently in Ho Chi Minh City, Prime Minister Vo Van Kiet held a meeting on rice procurement in the Mekong River Delta with related sectors. The prime minister instructed the banking and finance sectors to provide immediate credit to state-run companies so that they can purchase paddy from the peasants, primarily from their winter-spring crop.

To help companies in rice-export localities and enterprises that are efficient but financially strapped, the government will use the Price Stabilization Fund to subsidize partially interest payments to banks. The prime minister has requested that sector and local leaders satisfactorily organize the procurement of surplus paddy at reasonable prices so that peasants can make a profit and private traders not take advantage of peasants.

He has also directed the comrade minister of agriculture and food industry to form quickly a rice export corporation in the Mekong River Delta so that state-run companies can dominate rice procurement and export and to eliminate the number of intermediaries. At the same time, raw material-based investments for the state rice trading business in the Mekong River Delta must be increased so that the quality of rice exports will improve and state-run companies can better control the rice market. This will help peasants to implement the government's agriculture promotion policy. Now, the agriculture, finance, banking, and pricing sectors are actively implementing the prime

minister's directive to organize the winter-spring rice crop procurement in the Mekong River Delta for the 1994 export target.

Doan Khue at Navy Midterm Party Conference

BK1303144694 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 12 Mar 94

[Text] The Navy party organization held its midterm party conference in Haiphong municipality recently. General Doan Khue, member of the party Central Committee Political Bureau, deputy secretary of the Military Commission of the party Central Committee, and minister of National Defense, attended the conference.

During the three-day meeting, the conference reviewed and appraised tasks during the past two years. The conference noted that the party organization has provided valuable guidance and supervision to the Navy, thereby firmly strengthening its political position and resolving numerous difficulties. The Navy has made great progress in building strong and pure grass-roots party chapters while comprehensively building strong and firm units and fulfilling other assigned tasks.

In the days ahead, the Navy party organization will integrate its efforts to strengthen the party building task, while helping the Navy to strengthen its political position. Efforts must be made to enhance its combat readiness to build the Navy into a standard, modern, and seasoned force, thereby effectively defending the fatherland's sovereignty and territorial integrity.

Addressing the conference, Gen. Doan Khue stressed that the duty of defending the territorial integrity and the fatherland's coastal region and offshore islands is one of

the two strategic tasks of our entire party, people, and armed forces. The Navy party organization must attach importance to helping the Navy to enhance its political background and develop its spirit of self-reliance in maintaining and utilizing military equipment, thereby meeting requirements of our armed forces in the current stage.

Mar Issue of TAP CHI CONG SAN Reviewed

BK1203141394 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 9 Mar 94

[Text] In its March 1994 issue, TAP CHI CONG SAN carries many articles on industrialization and modernization, socialist economic orientations, cultural management, and the need to strengthen the great national unity bloc for the sake of a prosperous people, a powerful country, and an equitable and civilized society.

An article written by Comrade Deputy Foreign Minister Vu Khoan entitled "Experience Obtained in the World and the Process of Industrialization and Modernization in our Country" reads in part as follows: It is not that industrialization can be carried out by any country at any time. Industrialization requires certain conditions and premises. Therefore, as we embark on the task of encouraging industrialization and modernization, it would be useful to study the experiences of other countries. What we need to study and how to apply it will, of course, depend on the specific conditions of our country and on the current international situation.

Dealing with the basics for industrialization, the journal carries a number of articles critical of some incorrect views on market economy and socialism, the historic mandate of the working class, the issue of Marxist humanity, and so forth.

